ANNUAL REPORT

2021

PROTECTOR
forsikring

CONTENTS

04 HIGHLIGHTS 2021
06 THIS IS PROTECTOR
08 KEY FIGURES
10 SHAREHOLDER INFORMATION
12 CEO
14 NORWAY
15 SWEDEN
16 DENMARK
17 THE UK
18 FINLAND
19 INVESTMENTS
22 BOARD OF DIRECTORS
24 DIRECTORS' REPORT
29 ACCOUNTS AND NOTES
57 DECLARATION BY THE MEMBERS OF THE BOARD AND THE CEO
58 AUDITOR'S REPORT
62 CORPORATE GOVERNANCE
68 SOCIAL RESPONSIBILITY

HIGHLIGHTS 2021

In 2021, total premiums amounted to NOK 5,951 million against NOK 5,516 million in 2020, representing 8% growth (10% in local currencies). The growth in the Nordics was 6%, while growth in the UK was 22%.

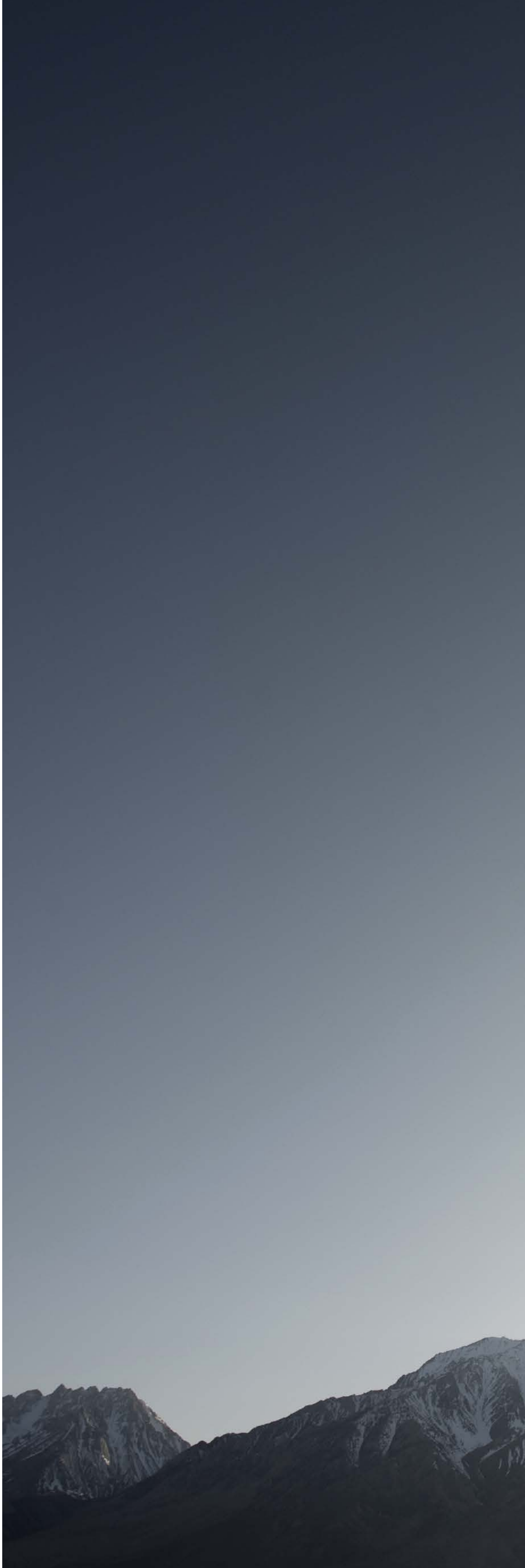
The technical result was NOK 594.4million against NOK 246.6 million in 2020, corresponding to a net combined ratio of 87.3% against 94.8% in 2020 The technical result is driven by strong results in the Nordic countries. The UK came in weaker due to an above normal number of large claims.

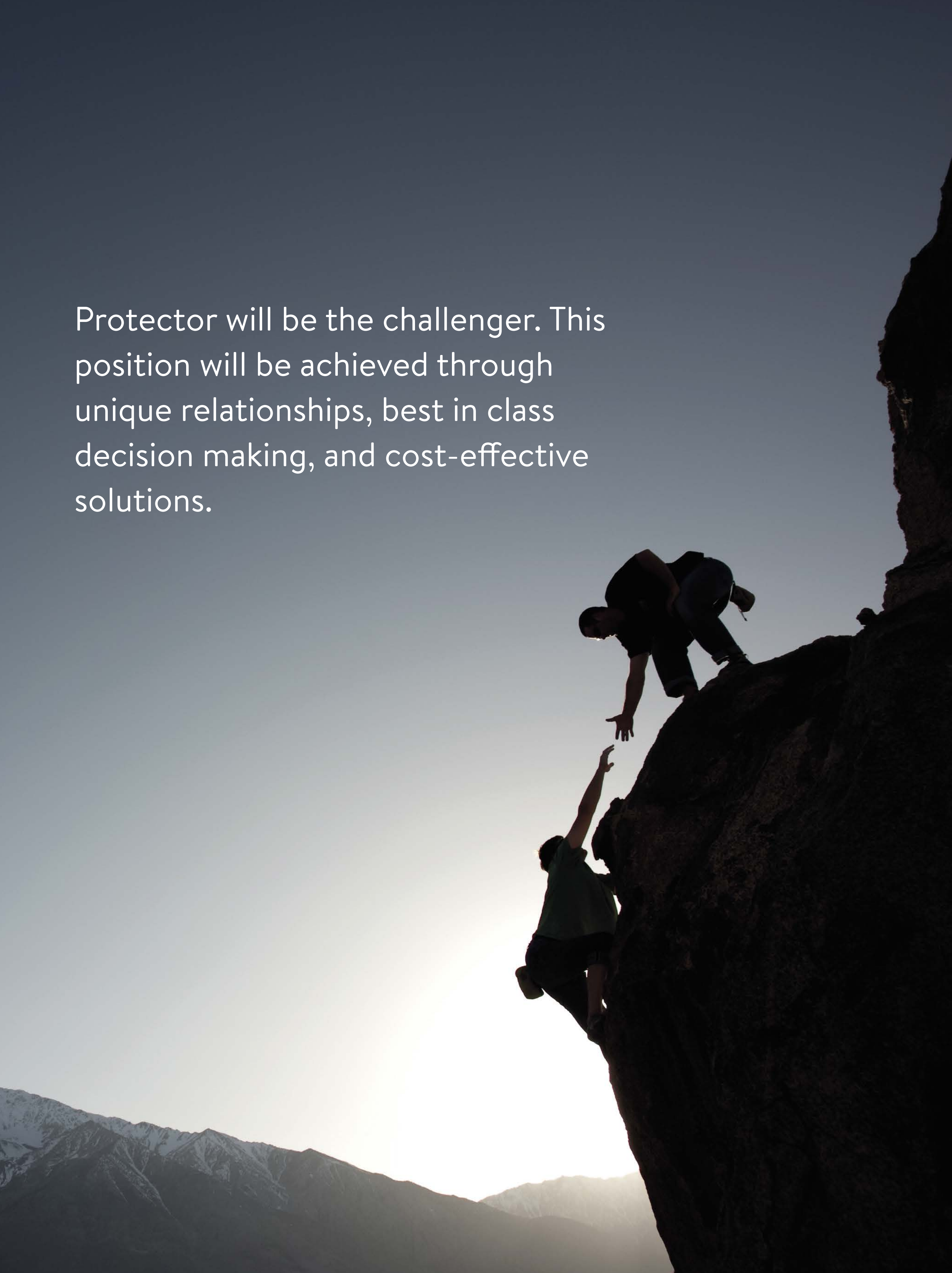
The claims ratio for own account was 77.4%, down from 84.6 % in 2020. Price increases and other profitability measurers drives the claims ratio downwards. The large loss ratio was somewhat lower than normal and the Covid-19 pandemic had a positive estimated impact at approximately 0.8 percentage points. In 2021 the company had run-off losses of 0.3% against 2.2% in run-off-losses in 2020.

The return on the investment portfolio was 6.8 %, against a return of 8.0 % in 2020. At the end of 2021, 15.1% of Protector's financial assets were invested in equities, against 13.5% year-end 2020.

Profit for the year was NOK 1,204.0 million, compared to NOK 981.6 million in 2020.

The Board of Directors proposes a dividend of NOK 7.00 per share for the fiscal year 2021, corresponding to NOK 576.6 million.





Protector will be the challenger. This position will be achieved through unique relationships, best in class decision making, and cost-effective solutions.

THIS IS PROTECTOR

The company's "scalable business model" will be used as a foundation for growth. Well-developed competence and in-house developed systems contribute to the company's growth without further significant accrual of costs.

Protector commenced business January 2004, and has since experienced rapid growth. The company is highly focused on risk selection and market adaptation. In May 2007, Protec tor was listed on the Oslo Stock Exchange. P rotector entered the Swedish insurance market in 2011, the Danish in 2012 and the Finnish and British in 2016.

VISION AND BUSINESS CONCEPT

Protector is the challenger. This position will be achieved through unique relationships, best in class decision-making and cost-effective solutions.

BUSINESS GOALS AND STRATEGIES

Protector targets further profitable growth. This will be achieved by offering the lowest costs and best quality services. The growth will mainly come from new markets.

The company's main goals are:

- Cost and quality leadership
- Profitable growth
- Top 3 in selected segments

The company's long-term financial objectives are:

- Combined ratio for own account: 90-92 %
- Return on equity: 20 %
- Growth rate of gross written premium: Disciplined
- Solvency margin: > 150 %

DISTRIBUTION STRATEGY

Protector has a distinct distribution strategy. All business is conducted through our selected brokers. The commercial and public sector business is sold through insurance brokers. The same strategy applies to our affinity programs.

MARKET STRATEGY

Protector operates in non-marine insurance. The company has two business segments: the commercial lines of business and the public lines of business.

Commercial Lines of Business

Protector offers insurance for both small and large companies and affinity programs through brokers. We tailor insurance solutions for large companies, and can develop own concepts through affinity programs as well as facilitate solutions for multiple countries.

Public Lines of Business

Protector has established itself as the largest insurer in the public sector in the Nordics with more than 600 municipalities and over 30 county councils on its client list at the end of 2020.

Sweden, Denmark, UK and Finland

Protector has established an operational presence in Stockholm, Copenhagen, Manchester, London and Helsinki. The company expects that significant parts of future growth will stem from outside of Norway. The company's entrance in the these markets follows the same business model as in Norway and is well accepted by the insurance brokers.

STRATEGY FOR CLAIMS HANDLING

Our claims handling team counts 181 employees in total. We have chosen to have claims handling in-house and have gained substantial competence within this area. By using skills and competences across claims handling, underwriting and sales the company achieves high cost efficiency while maintaining high quality.

IT-STRATEGY

Going against the insurance industry standard of outsourcing both IT infrastructure and development, Protector's core insurance systems are developed, maintained and operated in-house. In-house IT enables us to recruit highly skilled resources and create a unique combination of advanced technology and deep business understanding. A well-functioning cooperation in the matrix, puts ownership of IT initiatives in the business units, and reduces time to market for innovations. Due to our lean organization, we are able to adapt to changes in our business in days, rather than months.

The in-house development and operations have also contributed to our cost- and quality leadership. Protectors main business is within the broker based industry and our investments within digitalization are primarily targeted to strengthening this value chain by producing flexible solutions that contribute to innovation and business development.

IT is a strong contributor, making it possible for Protector to be the challenger in the market by combining important insurance competency, cost efficiency innovation with quick and targeted technology development.

PERFORMANCE BASED CULTURE

Protector's organization is based upon highly qualified employees counting over 411 people at the end of 2021. In addition to the development of claims handling, large resources have been invested to increase the capacity in the areas of underwriting, analysis, sales and service. On all levels of the organization, a structure has been created for regular employee appraisals. Protector has defined four core values, which are part of the criteria on which employees are assessed in this process: Credible, Open, Bold and Committed.

EMPLOYEE AND LEADERSHIP DEVELOPMENT

Protector utilizes a 270° and a 360°process where all employees have an opportunity to give feedback on the compliance with the company's values. The process has received great reviews and contributed to the further development of the company's performance-oriented culture. It also triggered further fine-tuning of the values in order to tailor them to our everyday life.

Protector will recruit, **develop** and retain the right people. We believe in developing key skills through continuous and deliberate learning. We have established Knowledge Hub, with the purpose of supporting onboarding of new employees and continuous training of all employees so that we can make best in class decisions. Through Knowledge Hub we will map, assess and give feedback on employees' competence, and together with the quarterly personal development discussions, employees and managers can follow up that learning takes place and that goals are set for future development.

"One Team Leadership", our 9th 18-months leadership development program which started in April 2021 and will be completed in September 2022. The program builds on experiences from previously held programs with continuity since 2013. Our goal with the leadership development programs is to further develop a unified leadership where the leaders develops a common understanding of the company's basic value-based management and performance culture.

We strongly believe that Protector's vigour and ability to realize its objectives will be strengthened through raising awareness amongst our employees of the company's core values, beliefs, ambitions and business.

KEY FIGURES

[1.000.000 NOK]		2021	2020
Gross premiums written[1]		5 951	5 516
Gross premiums earned		5 746	5 380
Gross claims incurred		(4 468)	(4 425)
Earned premiums, net of reinsurance		4 921	4 614
Other insurance related income		9	20
Claims incurred, net of reinsurance		(3 810)	(3 901)
Sales cost		(362)	(331)
Administration cost		(257)	(221)
Commission from reinsurer		131	82
Other insurance related expenses		(29)	(14)
Technical result		**594**	**247**
Other income/costs		(56)	(67)
Net financial income		878	865
Profit before tax		**1 416**	**1 045**
Tax		(252)	(160)
Discontinued operations		67	94
Net comprehensive income		(28)	2
Profit for the period		**1 204**	**982**
Claims ratio, net of reinsurance[1]	(1)	77,4 %	84,6 %
Expense ratio, net of reinsurance[1]	(2)	9,9 %	10,2 %
Combined ratio, net of reinsurance [1]	**(3)**	**87,3 %**	**94,8 %**
Gross claims ratio[1]	(4)	77,8 %	82,2 %
Gross expense ratio[1]	(5)	10,8 %	10,3 %
Gross combined ratio[1]	**(6)**	**88,5 %**	**92,5 %**
Retention rate[1]	(7)	85,6 %	85,8 %
Earnings per share[1]	(8)	15,0	12,0

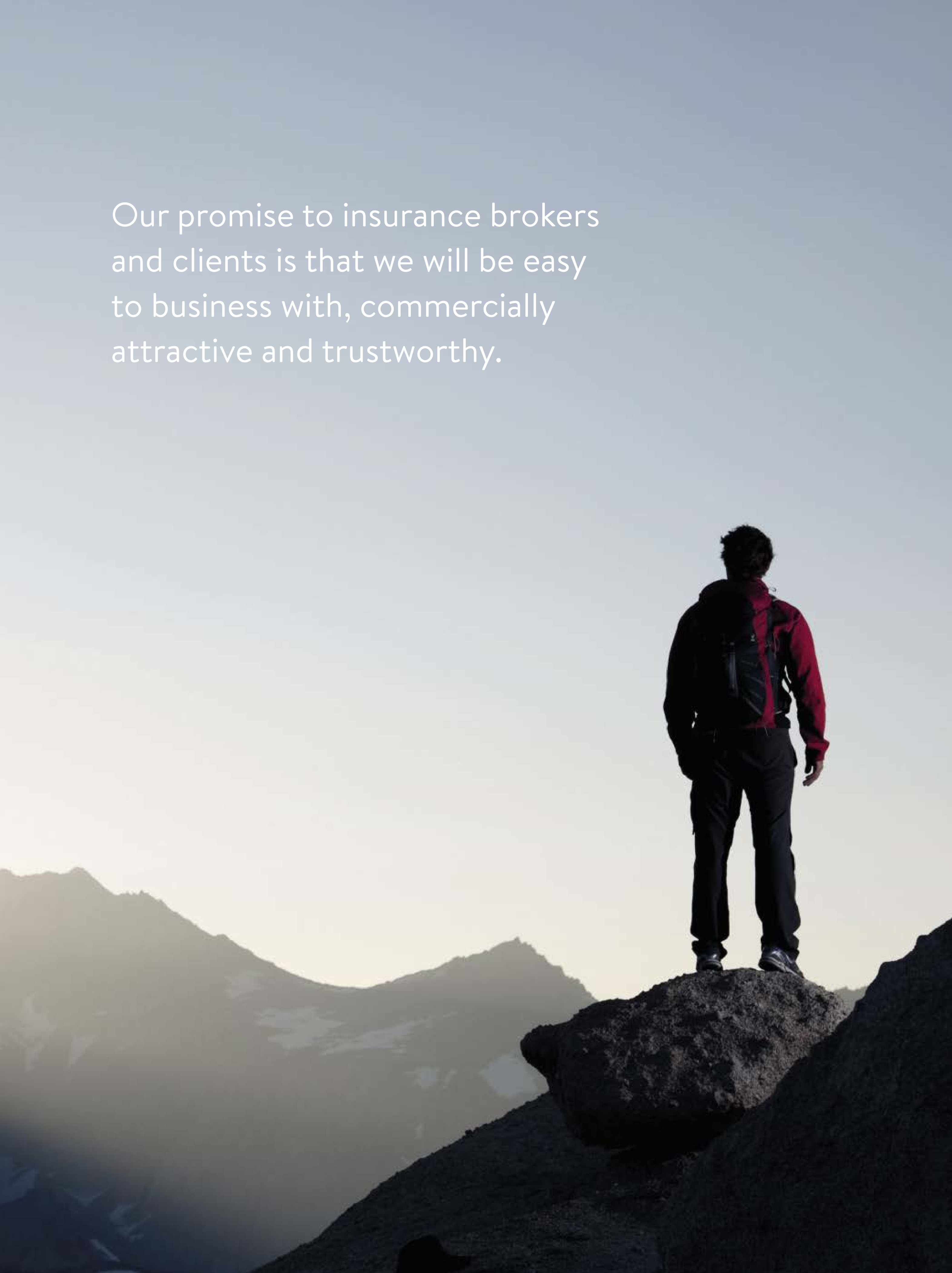
(1) Claims incurred, net of reinsurance in % of earned premiums, net of reinsurance
(2) Operating expenses in % of earned premiums, net of reinsurance
(3) Net claims ratio + net expense ratio
(4) Gross claims incurred in % of gross premiums earned
(5) Sales and administration costs in % of gross premiums 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

[1] Defined as alternative performance measure (APM). APMs are described on www.protectorforsikring.no in document named APMs Protector Forsikring 2021

DITLEV DE VIBE VANAY
CFO

Employee since 2019. Vanay was also positioned as CFO in the period 2005-2015. He holds a MSc in Economics and Business Administration from BI Norwegian Business School. He has more than 20 years experience within insurance, finance, business controlling and IT, from Protector, Storebrand, If and Tinde.

Our promise to insurance brokers and clients is that we will be easy to business with, commercially attractive and trustworthy.



SHAREHOLDER INFORMATION

THE PROTECTOR SHARE

In 2021 Protector's share price increased by 81.9 %. The Oslo Benchmark (OSEBX) increased by 23.4 % during the same period. In 2020, Protector's share price increased by 13.6 %, while The Oslo Benchmark index increased by 4.6 % during the same period.

DEVELOPMENT IN PROTECTOR'S SHARE PRICE

The average trading volume of Protector's shares on the Oslo Stock Exchange was 69,191 shares in 2021, relative to 110,940 in 2020. At the end of 2021, the Protector share was traded at NOK 108.4. The market value of total outstanding shares was NOK 8.929 million.

DIVIDEND

The Board of Directors proposes a dividend of NOK 7.00 per share for the fiscal year 2021, corresponding to NOK 576.6 million. The Board considers the size of the dividend to be in line with the company's financial position and the position in the market.

Unless the need for capital dictates otherwise, it's the Board's intention to distribute 20 - 80% of the profit for the year after tax as an ordinary dividend. Final determination will be based on the company's result, capital requirements including satisfactory buffers and the necessary flexibility for growth and development in the company. Ordinary dividends will, as a general rule, only be paid at a solvency margin above 150%. With a solvency margin above 180%, the board's intention is to over time return surplus capital to the shareholders in the form of special dividends or repurchases of shares.

The Board prepares quarterly dividend assessments on the basis of the most recently approved annual accounts.

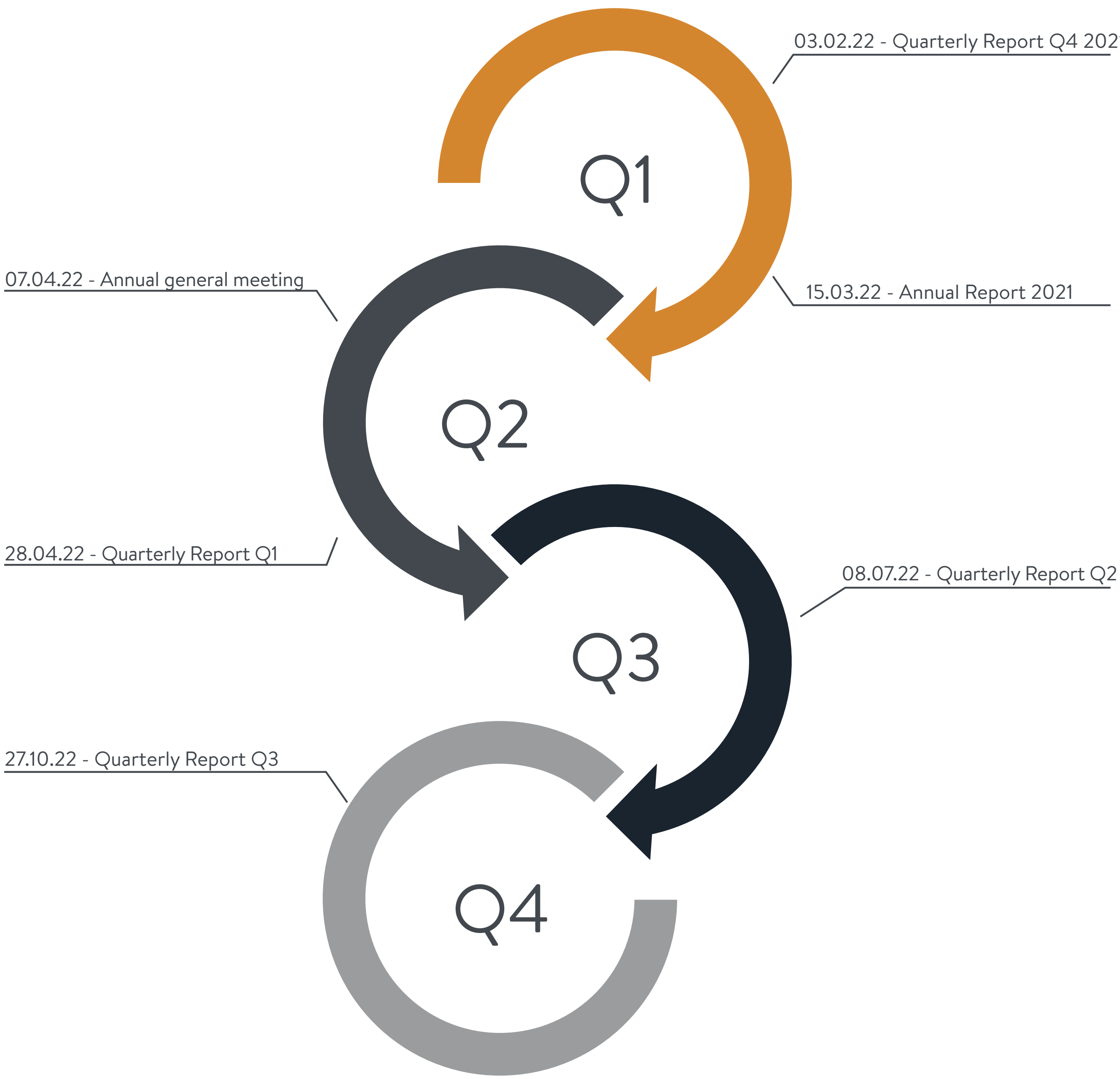
SHAREHOLDERS AND VOTING RIGHTS

The company has issued a total of 82.500.000 shares and there is only one class of shares with equal rights for all shareholders. A list of Protector's biggest shareholders is provided in note 13 in this report.

ANNUAL GENERAL MEETING

The Annual General Meeting of Protector Forsikring ASA will be held at the company's premises at Støperigata 2, Oslo, on Thursday April 7th, 2022 at 4.00 pm. The notice will be sent to all shareholders and to the Oslo Stock Exchange. The notice to the Annual General Meeting will also be published on the company's website www.protectorforsikring.no.

FINANCIAL CALENDAR



2021
- ONE TEAM,
AND BEST EVER RESULT

WE DELIVER PROFITABLE GROWTH

After a long period of rate reductions in the Nordic market, significant price increases were implemented from 2018. Together with a thorough clean-up in the portfolio we have seen the effect of this in 2021.

In 2021 we delivered a net combined ratio at 87.3%, and a volume growth at 8% (10% in local currencies). Whereas the growth was in line with expectations, the profitability came in stronger.

Through continued price increases above expected claims inflation and disciplined underwriting, we have a strong belief that underlying profitability in our portfolio is good. Potential extraordinary inflation remains our biggest concern, but is a strong focus.

UK – CHALLENGING MARKET, BUT POSITIVE OUTLOOK

2021 net combined ratio was 103.3%. The poor profitability is mainly driven by a large loss rate above normalized levels, especially on the motor product. Adjusted for this the portfolio is running well.

Disciplined underwriting is embedded in the UK organisation, through high level of competence, well established structures for facts and a One Team approach to all decisions. Risk management is an integral part of both new sales and renewals. The claims handling team has no backlog and is focused on quality through the full client journey, starting at underwriting stage and accelerating through the contract period.

With a growth in 2021 of 24 % in local currencies, there has been low client churn and new sales below expectation. The latter is especially true for the Public and Housing segments and the motor product – mainly due to low rates in the market. UK has benefited from learning what went wrong in the Nordics and implemented price increases earlier.

Our chosen brokers have voted Protector in the UK far ahead of competitors for the fifth year running. We are proud of the feedback, but have also learned more about how we can improve further in our common value chain with the brokers.

THE NORDICS – STRONG PERFORMANCE IN A DISCIPLINED MARKET

With a net combined ratio at 82.4 % in 2021, and all Nordic countries performing below 90 %, the profitability is back on track. The large loss rates were below normalized levels, but profitability remains strong when adjusting for this. Sweden is the biggest country, contributing strongly to growth and delivering the best combined ratio.

Except for a deliberate phase-out of workers' compensation within the health and welfare sector in Norway and workers' compensation as a single product in Denmark, client churn has been low in 2021.

The four Nordic countries have learned from a tough period of cleaning up and increasing prices. Most of these learnings have been different in the respective markets. A One Team approach to improvements and best practice has increased competence and is starting to deliver results.

Following poor results in the broker satisfaction survey from 2021, we have learned that the clean-up process could have been handled in a much better way. From conversations with the brokers, clear actions with agreed prioritization have been articulated. The actions are different for the various countries and segments, but we have one ambition – to be back on top.

INVESTMENTS – CORE BUSINESS, LONG HORIZON

2021 was, as for 2020, a very profitable year for us in regard to investments. Our total investment portfolio returned NOK 955 million (6.8%); the equity portfolio yielding 38.9% and the fixed income portfolio yielding 2.3%. We invest for the long run; short term gains and losses will to a great extent be unrealized.

In Protector, investment is core; we take calculated risk both on insurance and on investments. Our assets under management have grown to NOK 14.3 billion (up from NOK 13.5 billion). At year end 15.1% was allocated towards equities and 84.9% towards fixed income securities.

CAPITAL CONSUMPTION AND CAPITAL ALLOCATION

Throughout the years Protector has migrated towards more short-tail frequency-based business. These products consume less solvency capital than long-tail business (e.g. WC). We expect the product mix to continue in the same direction as long as interest rates remain low. Growth in solvency capital requirements due on insurance risk will be limited compared to historically.

The 2021 solvency capital requirement ratio (SCR-ratio) is strong at 206%. Our solvency-based reinsurance solution has been renewed, and the credit rating agency AM Best has an investment grade rating of bbb+ (Good) and Stable outlook on Protector.

Based on current realities, the Board of Directors will propose for the Annual General Meeting to pay a dividend of NOK 7 per share. We would still have financial solidity and flexibility to act on potential opportunities that may arrive.

HALF A YEAR AS THE NEW TEAM CAPTAIN

Protector is a company built on Culture. Developing our understanding and living our Vision, Business Idea, Targets and Values are all the most important part of our people's everyday life. To continue this journey with all the people in Protector is the biggest reason why I look forward to every day – also in my in role.

I will strengthen the cultural focus as the new team captain. We have started this in 2021 by introducing One Team to our understanding of our culture. One Team means that we share best practice, competence and capacity across teams and borders. It will help us maintain cost and quality leadership as we grow.

Our top priority is continuing improving our home markets. A major driver in preparing for further profitable growth is improved data quality. This has been and will be a key focus to improve quality and efficiency. As an example, we have launched a completely new system for our property product during 2021.

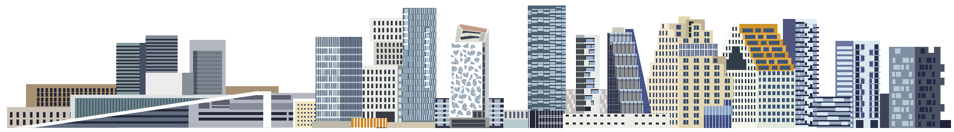
I would like to take this opportunity to thank all our employees for handling the challenging Covid-19 situation with energy and discipline. A special congratulations to the teams in HQ, including IT and investments with the "Cultural Lead" award for 2021. We have named them "The Enablers".

Furthermore, I would like to thank brokers for the great cooperation during 2021. You are our only channel to market and our allies in the fight against direct insurers. We look forward to further developing our relationships in 2022.

HENRIK HØYE
Chief Executive Officer

Henrik has worked full-time in Protector since 2007. He holds a BSc in Economics & Finance from the University of Colorado. Henrik was heavily involved in establishing our Swedish, Danish and UK operations, and had the role as "Director UK and Public Sector" before taking on the role as CEO in June 2021.

NORWAY



Disciplined growth, solid portfolio and continued price increases

PROFITABILITY

Norway delivered a net combined ratio of 89.2 % in 2021 (86.3 % in 2020). The net combined ratio is an outcome of a net claims ratio of 82.1 % (80.2 %) and a net expense ratio of 7.2 % (6.1 %). Our gross expense ratio was 7.6 % (8.6 %). This yields a technical result of MNOK 124 (MNOK 181).

Profitability on Property and Motor is very good, where Motor experience some positive effects of the Covid-19 shutdowns.

A continued hardening market allowed us to realize further price increases of 11 % (14 %). Our price increases is expected to be lower in 2022, but still above expected claims inflation.

VOLUME, GROWTH AND PORTFOLIO MIX

In 2021 gross written premium amounted to MNOK 1,415 – an increase of 2 %. This was driven by a very low churn of 13 % as the much-needed portfolio clean-up from last years is done. January 1st the churn was at 11 %, whereof 4 %-points is due to exiting of a large unprofitable facility.

Our three largest products are Property, Motor and Group Life, which accounts for approx. 2/3 of our gross written premium. Gross written premium on these three products grew by 9 % in 2021.

DISTRIBUTION AND MARKET

We aim to be the preferred partner among brokers. Therefore, we have increased our capacity towards the market and continued to improve our renewal processes. This is to ensure that renewal terms are communicated both in due time, and with good argumentation, in order to help the brokers achieve the necessary price increases in the renewals. In our Broker Satisfaction Index we get good scores on Broker service deliveries, but we will continuously strive to improve.

ORGANISATION AND COMPETENCE

On average, we were 93 FTEs in 2021 including Change of Ownership insurance. Competence in Underwriting are in-house for all products. On claims handling, the only products handled externally is Health insurance. Cross-border specialty groups ensures the best available competence where needed for P&C products. Efficiency has increased in 2021, and cost is back on a very good level. Our competitive advantage is strengthened. Our main focus going forward will be to balance cost, efficiency and quality.

LARS KRISTIANSEN
COUNTRY MANAGER NORWAY

Employee since 2016. MSc in Economics and Administration from Norwegian School of Economics. He has experience as an Underwriter and Business Controller in Protector.

SWEDEN

Exceptional results and momentum entering 2022

PROFITABILITY

Sweden delivered a net combined ratio at 73.0 % in 2021 (92.7 % in 2020). The combined ratio is an outcome of a net claims ratio at 62.8 % (79.8 %) and a net expense ratio of 10.2 % (12.8 %). Gross expense ratio was 12.3 % (12.7 %). Our Swedish business generated a technical result of MNOK 410 (MNOK 101).

Profitability varied between products. Motor insurance was profitable due to good underwriting, both on price and risk selection. Covid-19 had a positive effect. Property and Liability insurance were very profitable due to large run-off gains from both lower settlement costs and higher recourse result. Underlying profitability is assessed to be very good with the exception of Real Estate insurance where we have increased prices to levels more in line with updated rate views.

VOLUME, GROWTH AND PORTFOLIO MIX

Volume increased by MNOK 213, or 13% (16% in local currency), to MNOK 1,820.

Churn rate was moderate (12 %) mainly driven by Real Estate and Housing. Price increases were lower than expected driven by the strong profitability, mainly on Motor. We increased prices by 9 % on average, around 5 %-points above claims inflation. Price increases were directed towards Property insurance where profitability has been less good. Tender volume increased by around 15 % relative to 2020, indicating a market recovery after the pandemic. Tender volume was however still below pre-pandemic levels. Growth is driven by wins of large accounts, as new sales hit ratio was in line with previous years.

DISTRIBUTION AND MARKET

The market has been eventful. A continued hardening market involve a substantial capacity withdrawal from insurance and increasing prices. International insurers are driven by capacity. They have increased prices and exited products and accounts. Protector has strengthened its position by both helping brokers to find acceptable solutions and by broadening our business to involve more brokers.

ORGANISATION AND COMPETENCE

Sweden had an average of 93 FTEs during 2021. The Stockholm office has remained open for all employees, abiding restrictions and recommendations, allowing for a working from home/working from office hybrid solution that has worked well in the pandemic. The Swedish organization hold most expertise in-house, but Nordic specialty resources support on some P&C underwriting. Within claims handling, property claims project management was insourced during 2020 and has helped improve cost control and customer satisfaction in 2021. Our cost ratio decreased in 2021, as number of FTEs decreased together with more volume. The long-term bonus scheme added costs due to good results and a positive share price development.

FREDRIK LANDELIUS
COUNTY MANAGER SWEDEN

Employee since 2011. His last position in Protector was Director Sales, Underwriting & Service. Landelius' academic history includes business studies from University of Gothenburg on masters level and non-life insurance diploma from IFU. He has experience from brokered insurance at If and sales at Volvia.

DENMARK

Strong profit development, new organisation in place

PROFITABILITY

Net combined ratio ended at 89.8 % in 2021 (124.7 % in 2020). Our combined ratio is an outcome of a net claims ratio at 82.9 % (115.1 %) and a net expense ratio at 6.9 % (9.6 %). Gross cost ratio was 8.4 % (6.7 %). Denmark delivered a technical result of MNOK 64 (MNOK -218). This is the best result in years in Denmark and is driven by significant improvement of the profitability in general and by very few large losses.

The underlying profitability of the current portfolio is OK, but inflation is expected at a high level and will most certainly necessitate premium adjustments.

VOLUME, GROWTH AND PORTFOLIO MIX

Volume is in total decreased by 1 % (in local currency) to MNOK 919, relative to last year. The decrease is driven by termination of a large part of our workers' compensation business in the beginning of 2021. Influx of new clients and high retention during 2021 have contributed to a solid start of 2022. Property and motor are main drivers for our growth. The portfolio mix is now based on more than 85 % short and medium tailed business, which leads to lower capital requirements.

DISTRIBUTION AND MARKET

Our distribution strategy through brokers and agents are unchanged – maintaining our unique focus on the broker's value chain. Protector has improved broker relations during the year. It is due to high service level in both broker- and claims service by dedicated teams. These teams have performed very good on KPIs during the year.

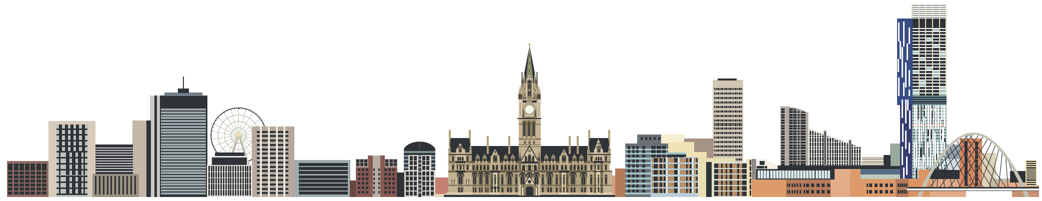
ORGANISATION AND COMPETENCE

Onboarding of a new country manager by Jan 1st followed by downsizing and changes of the organisation was a main focus in Q1. The current organisation is built on dedicated resources in key areas performing well on all KPIs entailing improved cost control and customer satisfaction. Cost control continues to be an important focus area to maintain competitiveness.

ANDERS BLOM MONBERG
COUNTRY MANAGER DENMARK

Employee since 2021. Educated from the Danish Insurance Academy and various leadership programmes, lately from INSEAD. He has over 20 years of experience from the insurance industry. Head of Brokered Clients at Gjensidige from 2011 to 2018 and Head of Insurance Brokers at Aon Denmark from 2019 to 2021.

THE UK



Poor profitability driven by large claims, no underlying issues

PROFITABILITY

Net combined ratio ended at 103.3 % in 2021 (84.9 % in 2020). Our combined ratio is the result of a net claims ratio at 87.8 % (70.7 %) and a net expense ratio at 15.5 % (14.2 %). The UK insurance business generated a technical result of MNOK -45 (MNOK 136), driven by two motor runoff losses initially reported in the 2019 and 2020 calendar years. Underlying profitability is better, with original rates in 2020 subjected to an average increase of 9.2 % when renewing in 2021.

VOLUME, GROWTH AND PORTFOLIO MIX

Overall GWP grew to MNOK 1.618, or 22 % (24 % in local currency), in 2021, driven mainly by our renewal portfolio. A combination of lockdown restrictions resulted in low churn and growth in our insureds' exposures resulted in 103 % volume retention. New Sales were down 42 % compared to 2020, with the Property and Motor markets beginning to soften. The portfolio in 2021 comprises 56% Commercial, 26 % Public and 17 % Housing. Property and Motor account for 79 % of the volume.

DISTRIBUTION AND MARKET

Motor is leading a softening of the market, with reduced frequencies due to Covid-19 driving down rates. We have remained disciplined and selective in our underwriting, as this will have a negligible effect going into 2022. Following participation in Marsh and Aon panels in 2020, we also joined AJGs commercial panel with effect from April 1st 2021, further expanding our opportunities in the UK. Our distribution strategy remains unchanged, focusing upon a small number of national Brokers. For the 5th year in a row we maintained #1 position in the BSI survey, with the highest number of responses received in the UK to date.

ORGANISATION AND COMPETENCE

The UK unit comprise 94 employees in 2021 with Management, Underwriting, Claims Handling, Risk Management and Finance and Administration in-house. Our cost ratio ended at 8.9 % (gross ex commission). This was higher than target, but will reduce with scale.

We employed 12 new colleagues in 2021, growing the UK team by 17 %. Future recruitment will switch focus from specialists to graduate / supporting roles. Competence is high, with the UK now a key contributor in cross-border Risk and Underwriting forums.

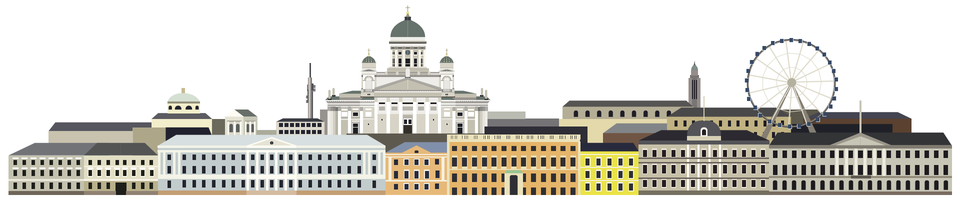
We have closely followed government guidance and market practices, working from home where advised and switching to a hybrid system of three days back in the office when able to.

The One Team culture continues to be embedded in the UK and as we continue into 2022, we are well positioned for further Profitable Growth.

STUART WINTER
COUNTRY MANAGER UK

Employee since 2019. Winter has more than 30 years experience from the insurance industry. He joined Protector from the position as UK Retail CEO in JLT.

FINLAND



Good profitability, poor growth

PROFITABILITY
In Finland our net combined ratio ended at 82.1 % in 2021 (77.5 % in 2020). This is the result of a net claims ratio of 78.1 % (74.0 %) and a net expense ratio of 4.0 % (3.5 %). Our gross expense ratio was 5.6 % (5.2 %). Protector Finland generated a technical result of MNOK 42 (MNOK 46).

Claims result were great because of absence of large losses and a great result within the Public segment, together with run-off gains from previous years. The underlying profitability within our current portfolio is sufficient. Average price increases were 8 %, which will further improve profitability going forward. Motor received low increases due to reductions in premium on profitable customers. Health insurance received the highest increase (15%) due to poor historical results.

VOLUME, GROWTH AND PORTFOLIO MIX
Volume decreased by 17% (in local currency) to MNOK 178 within the 2021 accounting year due to change in risk appetite and update of sales strategy during 2021. Due to technicalities in final premium calculations on the Workers' compensation product, underlying volume development is more flat. Decision was made to focus more on short tailed products and decrease the Workers' compensation portfolio weight. This proved to be difficult as some customer contracts bundle all products. The current portfolio mix is 2/3 Public segment, and heavily weighted towards Employee Benefit products.

DISTRIBUTION AND MARKET
The Finnish market is very concentrated, and incumbents control over 90 % of the market. They communicate less externally than in other markets and no clear movements are visible in the market. Protector has broadened the relationship with new and smaller broker houses during 2021; the service level has been very good in both broker service and claims service.

ORGANISATION AND COMPETENCE
Finland comprised 21 FTEs on average in 2021. Nearly 70% of the staff worked from home during the year and was able to maintain a high level of performance. A lot of focus during the second half of 2021 was directed towards personnel health, work ability and well-being and internal surveys show good improvement of employee satisfaction. Finland has local expertise in claims handling and works closely with the Swedish organisation on underwriting.

STEFAN SALONEN
GENERAL AGENT & HEAD OF UNDERWRITING

Employee since 2015. Salonen holds a Master´s in Mathematics with specialization in Finance and Insurance from Åbo Akademi University. Alongside his studies, he collected working experience from the Banking sector at Nordea.

INVESTMENTS

A disciplined approach to capital allocation

The investment portfolio returned around 1bn NOK, for the second year in a row in 2021, with strong contributions from both fixed income and equities. We are very satisfied with this result, but bear in mind that it is above our long-term earnings power on the investment side. Do not get too excited about strong returns in a single year nor too disappointed when the returns are poor. Instead, measure us on our long term performance. Performance in the fixed income portfolio always need to be evaluated trough a full credit cycle, but 2021 was yet another good year. We have witnessed two periods with severe stress in the Nordic bond market since insourcing our fixed income portfolio. First the oil price collapse in the fourth quarter of 2014 and March 2020. So far we have only had limited losses, but our focus on credit quality has a price in normal years with low/no volatility. In good times "all" companies get funding. Due to this effect we expect slightly lower return than peers in years with low volatility. However, over time companies that should not have been financed will cause losses and real risk-adjusted return will be visible.

Investments has been a major share of the results over time in Protector (75%). Protector use one part of solvency capital (shareholders' equity and subordinated loan) and one part of float (Money that hasn't been paid out to policy holders yet) when investing. This float amplifies the return on shareholders capital, but because of leverage it is critical to set aside capital to avoid forced selling, even if severely stressed situations are infrequent. For bonds, our internal stress test is based on the highest observed international spread levels historically. Specifically, for several years leading up to 2020 we reduced our exposure to longer dated BBB-rated bonds. This is because prices of longer dated BBB-rated bonds have historically dropped significantly in periods of financial turmoil, and even if they are carrying low credit risk. On the equity side the same is true and we set aside capital to withstand a drop of 50-60% in the stock markets and we also buy out of the money put options on indexes to protect us from the worst scenarios.

We have showed the last couple of years that we have been agnostic when it comes to capital allocation alternatives with a very large investment in HY bonds during the March 2020 volatility. We seek to have a disciplined approach to capital allocation, based on available capital in Protector and high hurdle rates. We are willing to sit on the side-line or act aggressively based on the opportunity set. As an insurance company we have inherent advantages in terms of capital consumption and liquidity advantages and we seek to exploit them. We strive for a sound underwriting process with excessive focus on the risks.

Every year I spend some time in the annual report on a new topic. Some shareholders has asked us why we don't focus more on the highest quality growth companies, given the fantastic long term value creation of some of those companies Our process when investing is always to make sure that we have base rate support for our investment strategy. I will for this reason write a few words on our thinking on predicting future growth.

According to Chan, Karceski and Lakonishok's paper The Level and Persistence of Growth Rates published in The journal of Finance April 2003, the problem with growth is that it is neither persistent nor predictable. They looked at the U.S. stock market from 1951–1997 and examined how persistent revenue and profit growth were, and how predictive analyst estimates and valuation ratios were of future growth. Upon reviewing nearly 50 years of data, their conclusions indicated a lack of persistence in long-term earnings growth. Neither analyst forecasts nor valuation ratios have significant predictive power. The paper argues that investors over the period would have been more accurate using GDP growth for every forecast than making individual predictions based on analyst estimates or on growth rates implied by valuation ratios.

"Market valuations reflect a pervasive belief among market participants that firms who can consistently achieve high earnings growth over many years are identifiable ex ante," wrote Chan, Karceski and Lakonishok. This is not the consensus view among investors which often see high multiples as a signal of future growth rates. The researchers found that this was true even when looking at tech stocks, glamour stocks, value stocks, large, mid and small cap companies. In other words, in paying high multiples and implicitly predicting long duration growth you are playing against the odds (base-rates).

For this reason we focus on easy to understand companies with proven business models, which are temporarily forgotten or out of favour. We love buying companies with the combination of a moat and significant runway for growth. However, we are not willing pay a lot extra for them, which have made that category difficult the last couple of years. Our portfolio today have a PE ratio of ~10 on analysts' expectations on 2022 – with in our minds good prospects for value creating growth.

As always, if you as an owner or potential investor reading this have any relevant suggestions (books, equity cases, bond cases, etc.) on how we can improve feel free to reach out. We are of the opinion that the most valuable input we can get is a short thesis on any of the companies we are invested in.

DAG MARIUS NERENG
CHIEF INVESTMENT OFFICER (CIO)

Employee since 2015. MBA in finance from Norwegian School of Economics. Experienced investment and portfolio manager, most recently in Bankenes Sikringsfond and Handelsbanken Asset Management.

BOARD OF DIRECTORS

JOSTEIN SØRVOLL

CHAIRMAN OF THE BOARD

Chairman of the Compensation Committee

Education:
- Actuary from the University of Oslo (1973)

Experience:
- Private Investor
- CEO of Gabler Wassum AS (2009-2010)
- CEO of Protector Forsikring ASA (2003-2006)
- CEO of Norske Liv AS (1992-1998)
- Executive positions in the Storebrand group (1976-1990)

Board member of Protector since: 2006

Regarded as an independent board member: Yes

Number of shares in Protector (incl. related party): 502 751

ARVE REE

DEPUTY CHAIRMAN OF THE BOARD

Member of the Compensation Committee
Member of the Audit Committee
Member of the Risk Committee

Education:
- MSc in Industrial Economics and Technology Management, Norwegian University of Science and Technology

Experience:
- Managing Director of AWC AS (2015-)
- Head of Ferd Special Investments in Ferd (2008-2014)
- Portfolio Manager in De Putron Fund Management (2005-2008)
- Analyst in JP Morgan (2003 and 2004-2005)

Board member of Protector since: 2020

Other essential tasks in companies and organisations:
Board member in Kernel AS, Cambi ASA and Linstow AS

Regarded as an independent board member: Yes

Number of shares in Protector (incl. related party): 690 061

ELSE BUGGE FOUGNER

BOARD MEMBER

Member of the Compensation Committee

Education:
- Cand. Jur. from the University of Oslo (1971)

Experience:
- Employee Partner Advokatfirmaet Hjort DA (2019-)
- Lawyer at kontorfellesskap Advokatfirmaet Hjort DA (2016-2018)
- Partner in Advokatfirmaet Hjort DA (1991-2015),
- Amanuensis at the University of Oslo (1990-1991)
- Minister of Justice, Justice Department (1989-1990)
- Partner in Advokatfirmaet Hjort DA (1975-1989)
- Lawyer in Advokatfirmaet Hjort DA (1972-1975)

Board member of Protector since: 2011

Other essential tasks in companies and organisations:
Long experience as former Chairman and board member of a number of companies, including Chairman in Kommunalbanken AS and Eksportkreditt AS in addition to a five year period as Deputy Chairman in the Norwegian Financial Supervisory Authority

Regarded as an independent board member: Yes

Number of shares in Protector (incl. related party): 0

RANDI HELENE RØED

BOARD MEMBER

Chairman Audit Committee
Chairman Risk Committee

Education:
- MSc in Economics and Business Administration NHH
- AFF Solstrandprogrammet

Experience:
- Chief Adviser Sustainability Norsk Tipping AS (2018-)
- EVP HR Norsk Tipping AS (2015-2018)
- CFO Norsk Tipping (2008-2015)
- Director in Eidsiva Energi (2002-2008)
- Senior Associate in PWC (1999-2002),
- Controller in IBM and NIT (1993-1999),
- Office Manager Group Accounting in DNB (1989-1993)

Board member of Protector since: 2014

Other essential tasks in companies and organisations:
Board member in Gudbrandsdal Energi Holding AS and Vevig AS

Regarded as an independent board member: Yes

Number of shares in Protector (incl. related party): 0

KJETIL GARSTAD

BOARD MEMBER

Member of the Audit Committee
Member of the Risk Committee

Education:
- MSc in Economics NHH (2001)

Experience:
- Analyst in Stenshagen Invest (2014-)
- Oil services analyst in Arctic Securities (2007-2013)
- Oil services analyst in SEB Enskilda (2004-2007)
- Corporate Finance in UBS Warburg (2001-2004)

Board member of Protector since: 2020

Other essential tasks in companies and organisations:
Board member in Norwegian Finans Holding ASA, Gaming Innovation Group Inc., Øgreid AS and Vininor AS

Regarded as an independent board member: Yes

Number of shares in Protector (incl. related party): 198 836

LINE ENGELMANN-KOKKIM

BOARD MEMBER

(elected by and amongst the employees)

Education:
- Master of Law, The University of Oslo 2(005-2010)

Experience:
- Head of litigation team, senior lawyer, lawyer and associate, Protector Forsikring (2012-)
- Real Estate Broker, DNB Eiendom (2011-2012)

Board member of Protector since: 2021

Number of shares in Protector (incl. related party): 0

MATHEWS AMBALATHIL

BOARD MEMBER

(elected by and amongst the employees)

Education:
- Bachelor in Hotel Management (1990)

Experience:
- Payroll Manager, Protector Forsikring ASA (2012 -)
- Payroll and HR Manager, Kruse og Smith AS (2010- 2012)
- Payroll and Personnel Manager, Skutle AS (2008- 2012)
- CEO, Helios Grünerløkka AS (2004-2008)

Board member of Protector since: 2018

Number of shares in Protector (incl. related party): 791

DIRECTORS' REPORT

Protector Forsikring ASA is a general insurance company (P&C) serving non-marine industries. The company's focus is towards the commercial and public sectors and the affinity insurance market. The insurances are sold through selected insurance brokers.

Protector was founded in 2003 and obtained a license to engage in general insurance the same year. The company commenced its operations in 2004 and was listed on the Oslo Stock Exchange in 2007. Protector entered the Swedish insurance market in 2011, the Danish in 2012 and the Finnish and British in 2016. In 2018, the company exited the Norwegian change of ownership insurance (COI) market.

The company has grown rapidly since its inception, and today counts over 411 employees, with offices in Stockholm, Copenhagen, Helsinki, London, Manchester and Oslo (head office).

After the decision to exit the COI market, COI is defined as "discontinued operations" in the accounts.

HIGHLIGHTS FOR 2021:

- 8 % growth in gross premiums written
- Combined ratio for own account 87,3 %
- 6.8 % return on the investment portfolio
- 35.6 % return on equity
- Solvency margin 206 %
- Dividend of NOK 7 per share for the accounting year 2021, totalling NOK 576.6 million

PREMIUM INCOME

In 2021, gross premiums written increased by 8 % to a total of NOK 5,959.6 million. In local currencies the growth was 10%. The growth is in line with the growth estimate the company communicated to the market at the beginning of the year.

Gross premiums earned increased by NOK 366.5 million to a total of NOK 5,746.1 million.

Premiums earned for own account amounted to NOK 4,920.7 million, an increase of 7 % compared to 2020. The reinsurers' share of premium income is virtually unchanged from last year.

Premium growth is driven by the UK and Sweden. In the UK, gross written premiums increased by 22% to a total of NOK 1,618.1 million. Growth in the Nordic countries was: 13% in Sweden to a total of NOK 1,820.5 million, 2% in Norway to a total of NOK 1,415.0 million, -6% in Denmark to a total of NOK 918.7 million and in Finland -21% to a total of NOK 178.2 million. In local currencies, growth was 24% in the UK and 6% in the Nordics. In total, price increases amounted to 8.9% against 13.7% in 2020. The renewal rate was 90.3% against 83.0% in 2020.

The company is the market leader in the Scandinavian municipal market. In 2021, total growth in the municipal sector was -1 % in local currencies. Growth within the personal lines of business and other business was -7 % and 1 % respectively. Negative growth within the personal lines is mainly due to the exit of workers compensation in the health and welfare industry in Norway. Growth in Sweden was 7 %, in Denmark 26 % and in Norway 4 %. In the UK and Finland, growth was 16 % and -18 % respectively. In Denmark, the public sector accounted for 38 % of total premium volume, in Sweden 25 %, in Norway 23 %, in the UK 27 % and in Finland 67 %.

Protector has in 2021 withdrawn from workers compensation (WC) covers within the Norwegian health and welfare industry due to the Government's decision to define Covid-19 as an occupational disease within the WC cover. Moreover, the company has withdrawn from WC as a single product in Denmark due to a significant capital consumption on this product combined with poor profitability. These measures represent a premium reduction of NOK 191 million.

RESULT

Profit before tax amounted to NOK 1,416.3 million compared to NOK 1,044.8 million in 2020. The strong result is due to a strong technical result and a strong investment result. Profit for discontinued operations (change of ownership insurance) was NOK 67.4 million against NOK 94.3 million in 2020. The return on the average equity was 35.6 %, against 43.7 % in 2020.

The claims ratio for own account improved from 84.6 % in 2020 to 77.4 % in 2021. The expense ratio for own account amounted to 9.9 %, down from 10.2 % in 2020. The development in claims and expense ratios results in a combined ratio for own account of 87.3 % , against 94.8 % in 2020.

The technical result is driven by good results in the Nordic countries. In all Nordic countries the net combined ratio was below 90 %. The UK came in weaker due to an above normal number of large claims.

The Covid-19 pandemic had a positive impact on the claims ratio for own account of approx. 0.8 percentage point, down from approx. 1 percentage point in 2020. The effect was primarily related to motor insurance as a result of less driving.

Gross cost ratio has increased from 10.3 % in 2020 to 10.8 % in 2021. The increase is driven by higher personnel costs and broker commissions A reduction in the cost percentage is expected in 2022 as a result of implemented cost measures in the Nordic countries, top-line growth and continued cost focus.

The net result from investments for the company's total investment portfolio amounted to NOK 954.5 million, corresponding to 6.8 %, down from NOK 969.6 million, corresponding to 8.0 % in 2020. The return is driven by a strong return on equities and a good return on interest-bearing securities.

The return on equities amounted to NOK 669.5 million, corresponding to 38.9%, compared with NOK 433.8 million, corresponding to 34.9%% in 2020.

The return on the fixed income portfolio amounted to NOK 285.1 million, corresponding to 2.3%. In 2020, the return on the fixed income portfolio was NOK 535.7million, corresponding to 5.0%.

The technical result for discontinued operations (change of ownership insurance) was NOK 10.8 million and the result was NOK 67.4 million. In 2021, the company continued to sell change of ownership insurance due to existing agreements with some real estate agents. These agreements are terminated as from 2022 due to new legislation coming into force. The company has a 50 % quota share (reinsurance) contract covering all change of ownership insurance written in Norway until 1 July 2020.

The profit for the year 2021 in Protector Forsikring ASA was NOK 1,204.0 million up from NOK 981.6 million in 2020.

The annual accounts have been presented based on a going concern assumption and the Board confirms that the assumption is present.

CAPITAL AND SHAREHOLDER ISSUES

Protector's solvency capital requirement ratio (SCR-ratio) calculated in accordance with the Solvency II rules was at the end of 2021 206 % after the dividend paid in February 2022 and after proposed ordinary dividend for 2021. The calculation of the SCR-ratio is described in further detail in Note 24.

The company's objective is to maintain a SCR-ratio above 150 %.

The company's equity amounted to NOK 3,582.1 million, an increase of NOK 551.6 million. Dividend payments in 2021 have reduced equity by NOK 659.5 million.

The cash flow statement showed a positive cash flow from operating activities, before investments in financial assets, of NOK 1,342 million. Net cash flow was positive by NOK 107.6 million. Cash and cash equivalents amounted to NOK 2,407.2 million at the end of 2021.

The company's capital situation and solvency is considered as satisfactory.

In December, Protector Forsikring ASA successfully placed a subordinated loan of NOK 350 million. The terms of the loan comply with existing and expected future requirements for subordinated debt eligible as restricted Tier 1 capital. NOK 208 million of the proceeds from the issue has been used for a buy-back of the NOK 350 million Tier1 bond, which has the first call date in March 2022. The NOK 142 million increase in restricted Tier 1 capital has a 6 percentage point positive effect on the SCR-ratio.
The company had 2,248 shareholders at the end of 2021, which is 179 more shareholders than at the same time in 2020 (2,069). Foreign shareholders own 29 % percent of the shares compared to 27 % one year earlier.

DIVIDEND

The Board of Directors proposes a dividend of NOK 7.00 per share for the fiscal year 2021, corresponding to NOK 576.6 million. The Board considers the size of the dividend to be in line with the company's financial position and the position in the market. Proposed dividend is included in other earned equity.

Unless the need for capital dictates otherwise, it's the Board's intention to distribute 20 - 80% of the profit for the year after tax as an ordinary dividend. Final determination will be based on the company's result, capital requirements including satisfactory buffers and the necessary flexibility for growth and development in the company. Ordinary dividends will, as a general rule, only be paid at a solvency margin above 150%. With a solvency margin above 180%, the board's intention is to over time return surplus capital to the shareholders in the form of special dividends or repurchases of shares.

The Board prepares quarterly dividend assessments on the basis of the most recently approved annual accounts.

RISK EXPOSURES

Risk-taking forms the core of the company's business activities. Continuous risk monitoring and active risk management are therefore an integrated area in the company's business and organization. The company's risk exposure is essentially connected with market risk, insurance risk, credit risk, liquidity risk, operational risk and strategic risk.

Market risk

Protector is exposed to losses due to changes in observable market variables such as interest rates and securities prices. At the end of 2020, the company had an investment portfolio of NOK 14.3 billion, of which 84.9 % was invested in interest-bearing instruments and 15.1 % in equities. The share invested in equities has increased by 1.6 percentage points during 2021. The duration in the fixed income portfolio at the end of 2021 was 0.4 years, unchanged from the end of 2020. Interest rate risk is considered low.

The Board annually determines the company's investment strategy, including its risk profile and restrictions on investments in various instruments. The investment strategy sets a framework that is adapted to the company's risk bearing capacity. The consolidated market risk is measured and reported quarterly to the Board of Directors.

The total market risk for the company's financial investments is considered as acceptable.

For further information about interest-rate exposure and stress tests, see Note 4.

The company has built up expertise and capacity for its own management and the company's total assets are managed internally.

Insurance Risk

Like the market risk, the insurance risk is adjusted to the company's available risk capital. The risk is limited by the company having established an extensive reinsurance program with well-established reinsurers.

The framework for the reinsurance program is laid down based on the need to protect the company's equity capital against loss occurrences in excess of an amount that is regarded as sound and on the need to reduce result fluctuations. The company is satisfactorily protected against disasters and large-scale claims through its reinsurance program. The retention rate amounted to 85.6 % at the end of 2021.

Credit Risk

Credit risk is the risk of loss if the company's counterparty does not meet its obligations. This also includes a risk of changes in general credit prices, the so-called "spread risk".

Protector is exposed to credit risk through its investments in the bond and money markets and through reinsurance.

The company has established frameworks for the various securities issuers as well as defined minimum credit ratings for the various issuer groups for interest-bearing securities. Frameworks have also been established for the duration of credit. At the end of 2021, the credit duration in the interest-rate portfolio was 1.3 years, down from 1.4 years in 2020. The average credit rating for the issuers in the portfolio is A- at the end of 2021, unchanged from the end of 2020.

Outstanding claims against the company's reinsurers represent a credit risk. Counterparty risk on the reinsurance market is assessed on a continuous basis. Generally the reinsurers used by the company have a very good credit rating.

The total credit risk in the company is regarded as acceptable.

Liquidity Risk

In P&C insurance, the liquidity risk is general low since premiums are due for payment before claims have to be paid.

Protector primarily deposits premium payments received in liquid accounts or invests them in liquid securities to ensure that the company can obtain the necessary liquid funds at any given time. The liquidity risk is regarded as further reduced with internal management of the financial portfolio.

Operational Risk
Operational risk is the risk of financial loss connected with inadequate or failing internal processes or systems, human errors, external events or failure to comply with applicable rules and regulations.

Operational risk is calculated and reported in accordance with Solvency II rules. The company also implements and documents operational risk in connection with internal control processes in the company. The main features of this work are that the individual leader within his or her respective area carries out a process to identify the most significant risks before and after the measures implemented. The work revealed in 2021 no risk conditions that were not adequately controlled. The operational risk is considered to be low.

Strategic Risk
The strategic risk is connected with Protector's distribution, IT solutions, market flexibility, cooperation partners, reputation and changes in market conditions (the list is not necessarily exhaustive). Protector's strategy is continuously assessed against results, market and competitive changes and changes in framework conditions. Factors that are of critical importance to the company's goal and target achievement are monitored separately.

SOCIAL RESPONSIBILITY
Protector's mission is to indemnify lives and assets and relieve our customers of economic risk. The company's social responsibility also relates to other factors of importance for sustainable social development. By safeguarding the environment, ethics and social conditions, we will contribute to long-term value creation for both society and the company. The company has established sustainability as an element in the company's strategy and has defined main areas and activities for this work.

The company has prepared a separate report on social responsibility. The report is included in the annual report on page 68 and includes information on matters mentioned in the Accounting Act § 3-3a paragraph 9-10, the Accounting Act § 3-3b paragraph 2 no. 9 and the Equality and Discrimination Act § 26a, related to the working environment, the company's impact on the external environment and equality and diversity.

CORPORATE GOVERNANCE
Protector established its own principles of corporate governance which should contribute to the highest possible value creation over time for the shareholders and increased confidence in the company through an open corporate culture and good reputation. The principles of corporate governance mainly follow the laws and regulations the company is subject to. Furthermore, the principles are based on the Norwegian Code of Corporate Governance. For a more detailed description of the Protector's corporate governance, see a separate statement in the annual report.

REMUNERATION OF EXECUTIVE PERSONNEL
A specification of total remuneration of executive personnel is enclosed in Note 21 in the annual accounts. Guidelines for remuneration as well as a report on remuneration of executive personnel are published on the company's website www.protectorforsikring.no.

BOARD LIABILITY INSURANCE
Protector Forsikring ASA has taken out a board liability insurance for the company including the branches. The insurance covers the Board's and the CEO's liability for the damage caused by the performance of their duties. Loss limit is NOK 50 million.

EVENTS AFTER THE BALANCE SHEET DATE
In accordance with the authorization from the general meeting, the Board has on 16 February 2022 paid a dividend of NOK 247.1 million (equivalent to NOK 3.00 per share) based on the 2020-result. The paid dividend is included in other equity as of 31.12.2021.

As of 31.12.2021, the company has NOK 142 million outstanding in a restricted tier 1 loan with call date in March 2022 (PROTCT 04). The company announced 7 February 2022 that the company will exercise it's right to call the loan. The loan is included in other subordinated loan capital as of 31.12.2021.

No other significant incidents since 31 December 2021 provide information concerning the conditions which existed at the balance sheet date.

PROSPECTS

Price increases above claims inflation and other profitability measures improve the claims ratio. The underlying profitability is good and with continued profitability measurers the technical result is expected to remain on a good level .

The Covid-19 situation has to this point had a limited effect on the company's insurance business. Products in our portfolio that may be adversely affected by Covid-19 are limited. The situation may still lead to some increase in pay-outs within products like other illness and business interruption, as well as extraordinary claims inflation on property damage. Reduced economic activity can still counteract the potential negative factors.

Entering 2022, the company has experienced a continuing low client churn. In January , our largest inception month, the company experienced 11% growth in local currencies supported by price increases above claims inflation. However the forward looking market conditions are still uncertain, and do still depend on how Covid-19 evolves. There is normally uncertainty related to future conditions, but the Board is of the opinion that the company is well equipped to meet the competition going forward.

Oslo, 10 March 2022
The Board of Directors of Protector Forsikring ASA
Translation - not to be signed

Jostein Sørvoll (Chairman)	Arve Ree (Deputy Chairman)	Else Bugge Fougner	Kjetil Garstad
Randi Helene Røed	Line Engelmann-Kokkim	Mathews Ambalathil	Henrik Golfetto Høye (CEO)

INCOME STATEMENT

[1.000 NOK]	Notes	2021	2020
PREMIUM INCOME			
Gross premiums earned		5 746 076	5 379 562
Reinsurers' share of earned premiums		(825 339)	(766 049)
Earned premiums, net of reinsurance	6	4 920 737	4 613 513
Other insurance-related income		**8 716**	**19 510**
CLAIMS COST			
Gross claims incurred		(4 468 397)	(4 424 620)
Reinsurers' share of claims incurred		658 334	523 249
Claims incurred, net of reinsurance	6	(3 810 063)	(3 901 370)
OPERATING EXPENSES			
Sales costs	18	(361 665)	(331 332)
Administration costs	14,19-21	(256 615)	(221 286)
Commission from reinsurers		130 701	81 607
Total operating expenses, net of reinsurance		(487 578)	(471 012)
Other insurance-related expenses		**(37 410)**	**(14 049)**
Technical result		**594 401**	**246 591**
NET INCOME FROM FINANCIAL ASSETS			
Income from investments in associated companies		10 827	
Interest income and dividend from financial assets		331 664	247 396
Changes in value on investments		(21 830)	550 439
Realised gain and loss on investments		620 595	126 058
Administration expenses related to investments, including interest expenses		(62 930)	(58 694)
Total net financial income	22	878 325	865 199
Other income		1 993	902
Other expenses		(58 381)	(67 874)
Total other income/expenses		(56 388)	(66 973)
Non-technical result		821 937	798 227
Profit before tax		1 416 338	1 044 818
Tax	15	(251 656)	(159 958)
Profit from continued operations		1 164 682	884 860
Discontinued operations	27	67 428	94 344
Profit before components of comprehensive income		**1 232 110**	**979 204**
COMPONENTS OF COMPREHENSIVE INCOME			
Other comprehensive income that will not be reclassified subsequently to profit or loss			
Actuarial gain and loss from defined benefit pension plans		(1 028)	(511)
Tax on other comprehensive income that will not be reclassified subsequently to profit or loss		257	128
Total other comprehensive income that will not be reclassified subsequently to profit or loss		(771)	(383)
Other comprehensive income that will be reclassified subsequently to profit or loss			
Exchange differences from foreign operations		(36 487)	3 670
Tax on other comprehensive income that will be reclassified subsequently to profit or loss		9 122	(918)
Total other comprehensive income that will be reclassified subsequently to profit or loss	15	(27 365)	2 753
Total other comprehensive income		(28 136)	2 370
Profit for the period		**1 203 973**	**981 573**

STATEMENT OF FINANCIAL POSITION

[1.000 NOK]	Notes	31.12.2021	31.12.2020
ASSETS			
INTANGIBLE FIXED ASSETS			
Other intangible fixed assets	7	73 336	53 690
Total intangible fixed assets		**73 336**	**53 690**
FINANCIAL ASSETS			
Shares in associated companies		127 330	
Shares		1 824 416	1 601 735
Securities, bonds etc		9 179 328	8 574 739
Financial derivatives		94 133	47 879
Bank deposits		1 935 562	1 812 088
Total financial assets	**4, 9**	**13 160 769**	**12 036 440**
REINSURERS SHARE OF GROSS TECHNICAL PROVISIONS			
Reinsurers share of gross premium provisions		177 089	158 990
Reinsurers share of gross claims provisions		2 972 195	1 380 843
Total reinsurers share of gross technical provisions	**6**	**3 149 285**	**1 539 832**
RECEIVABLES			
Policyholders		523 216	313 371
Other receivables		95 258	112 271
Total receivables	**10**	**618 474**	**425 642**
OTHER ASSETS			
Tangible fixed assets	8	33 994	30 444
Cash and bank deposits	11	299 836	263 165
Total other assets		**333 829**	**293 609**
Prepaid expenses	12	462 534	505 293
Assets discontinued operations	27	1 448 049	1 895 744
Total assets		**19 246 276**	**16 750 251**

STATEMENT OF FINANCIAL POSITION

[1.000 NOK]	Notes	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital [82.500.000 shares]	13	82 500	86 156
Own shares	13	(128)	(4 269)
Other paid-in equity		267 677	267 677
Total paid-in equity		**350 049**	**349 563**
EARNED EQUITY			
Natural perils capital		97 748	70 153
Guarantee scheme		78 163	84 875
Fund for valuation differences		9 958	
Other equity		3 046 211	2 525 882
Total earned equity		**3 232 081**	**2 680 909**
Total equity		**3 582 130**	**3 030 473**
Subordinated loan capital	9, 25	1 384 664	1 473 035
TECHNICAL PROVISIONS			
Provisions for unearned premiums		1 575 464	1 396 714
Provisions for claims	3	8 404 103	7 788 403
Total technical provisions	**6**	**9 979 567**	**9 185 116**
PROVISIONS FOR OTHER RISKS AND LIABILITIES			
Pension liabilities	14	-	17 892
Current tax liability	15	191 229	103 323
Deferred tax liability	15	121 582	124 472
Total provisions for other risks and liabilities		**312 810**	**245 687**
LIABILITIES			
Liabilities in connection with insurance	16	73 384	43 084
Liabilities in connection with reinsurance	16	2 238 317	934 027
Financial derivatives	4, 9, 16	26 146	61 402
Other liabilities	16	286 557	250 477
Total liabilities	4, 16	**2 624 404**	**1 288 990**
Incurred expenses and prepaid income	17	528 917	415 381
Liabilities discontinued operations	27	833 784	1 111 569
TOTAL EQUITY AND LIABILITIES		**19 246 276**	**16 750 251**

Oslo, March 10th 2022
The Board of Directors of Protector Forsikring ASA
Translation - not to be signed

Jostein Sørvoll (Chairman)	Arve Ree (Deputy Chairman)	Else Bugge Fougner	Randi Helene Røed
Kjetil Garstad	Line Engelmann-Kokkim	Mathews Ambalathil	Henrik Golfetto Høye (CEO)

CASH FLOW STATEMENT

[1.000 NOK]	2021	2020
CASH FLOW FROM OPERATIONS		
Premiums paid	5 884 296	5 888 027
Claims paid	(3 934 521)	(4 558 162)
Paid reinsurance	(351 838)	208 511
Paid operating expenses including commissions	(440 102)	(473 651)
Interest / dividend income	358 106	270 093
Net payments from financial instruments	(372 106)	(1 337 143)
Payable tax	(173 890)	(39 409)
Net cash flow from operations	**969 945**	**(41 733)**
CASH FLOW FROM INVESTMENT ACTIVITIES		
Investments in fixed assets	(52 815)	(15 804)
Net cash flow from investment activities	**(52 815)**	**(15 804)**
CASH FLOW FROM FINANCIAL ACTIVITIES		
Dividend paid	(659 536)	
Repayment of subordinated loan capital (see note 25)	(439 000)	(269 000)
Payment of subordinated loan capital (see note 25)	350 628	498 750
Interest payments on subordinated loan capital	(61 616)	(61 665)
Net cash flow from financial activities	**(809 524)**	**168 085**
Net cash flow for the period	**107 606**	**110 549**
Net change in cash and cash equivalents	107 606	110 549
Cash and cash equivalents opening balance	2 312 148	2 155 126
Effects of exchange rate changes on cash and cash equivalents	**(12 525)**	46 473
CASH AND CASH EQUIVALENTS CLOSING BALANCE	**2 407 229**	**2 312 148**

STATEMENT OF CHANGES IN EQUITY

[1.000 NOK]	Share Capital	Own shares	Other paid-in equity	Natural perils capital	Guarantee scheme provision	Fund for valuation differences	Other equity	Total equity
Equity as at 31.12.2019	**86 156**	**(4 394)**	**267 677**	**76 876**	**89 170**		**1 503 849**	**2 019 335**
1.1- 31.12.2020								
Change own shares		124						124
Total equity before profit for the year	**86 156**	**(4 269)**	**267 677**	**76 876**	**89 170**		**1 503 849**	**2 019 459**
Profit before other comprehensive income							981 573	981 573
Other changes in equity							29 440	29 440
Total equity before fund provisions	**86 156**	**(4 269)**	**267 677**	**76 876**	**89 170**		**2 514 863**	**3 030 472**
Provisions to obliged fund gross				(6 723)	(4 296)		11 019	-
Equity as at 31.12.2020	**86 156**	**(4 269)**	**267 677**	**70 153**	**84 875**		**2 525 882**	**3 030 472**
1.1- 31.12.2021								
Change own shares		4 141					6 735	10 876
Capital reduction	(3 656)							(3 656)
Total equity before profit for the year	**82 500**	**(128)**	**267 677**	**70 153**	**84 875**		**2 532 616**	**3 037 693**
Profit before other comprehensive income							1 203 973	1 203 973
Dividend paid							(659 536)	(659 536)
Total equity before fund provisions	82 500	(128)	267 677	70 153	84 875		3 077 054	3 582 130
Provisions to obliged fund gross				27 595	(6 711)	9 958	(30 843)	-
EQUITY AS AT 31.12.2021	**82 500**	**(128)**	**267 677**	**97 748**	**78 163**	**9 958**	**3 046 211**	**3 582 130**

ACCOUNTS AND NOTES

NOTE 1 ACCOUNTING PRINCIPLES

General
The company's financial statements are prepared in accordance with the Norwegian Accounting Act, financial statement regulations for insurance companies, which is mainly in accordance with International Accounting Principles (IFRS), and generally accepted accounting principles.

Changes in accounting principles
No new accounting standards have been implemented in 2021.

New accounting standards that have not entered into force
IFRS 17 replaces IFRS 4 Insurance Contracts and introduces new requirements for recognition, measurement, presentation and information on issued insurance contracts. The purpose of the new standard is to establish a uniform practice for accounting for insurance contracts. The standard enters into force on 1 January 2023. The implementation date is 1 January 2023 with a requirement that comparable figures be provided.

The consultation note IFRS adaptation of annual accounts regulations - IFRS 17 Insurance contracts prepared by Finanstilsynet proposes that in the company accounts of large non-life insurance companies an obligation to apply IFRS, including IFRS 17, from the financial year 2023 with the right to deviate from IFRS in some cases. The consultation note has not yet been adopted, but will mean that the company accounts of Protector Forsikring ASA from 2023 will be presented in accordance with IFRS.

Foreign currency
The parent company and the various branches have Norwegian, Swedish and Danish kroner, Pound and Euro respectively as functional currency. All financial information is presented in NOK unless otherwise stated. Transactions in foreign currency are translated into functional currency at the exchange rate at the transaction date. Profit and loss items related to Sweden, Denmark, Finland and UK are translated into NOK at average rate. Assets and liabilities are translated at the exchange rate at the reporting date. Exchange differences arising on currency translations are recognised in other comprehensive income.

Income and expenses in the profit and loss account
Revenue recognition occurs when the income is earned. Costs are recognised at the time incurred.

Prepaid income and accrued unpaid expenses at the end of the year are accrued and reported as liabilities in the financial statement. Accrued income at the end of the year is recorded as income and stated as a liability in the financial statement.

Premium income
Premium income consists of gross premiums earned and reinsurers' share of earned premiums. Gross premiums earned consists of gross written premiums and change in gross provision for unearned premiums. Reinsurers' share of earned premiums consists of premiums written ceded and change in reinsurers' share of provision for gross unearned premiums.

Insurance premiums are recognized over the term of the policy. Gross premiums written include all amounts received or due relating to insurance contracts incepting during the reported period. Adjustments are made for those premiums unearned at the reported date together with premiums earned in the current period from contracts incepting in prior periods. This adjustment is reported as gross premiums earned. For change of ownership insurance, the income is entered into the financial statement at the time of the risk transfer. Premiums for ceded reinsurance are recognised according to the insurance period on the same basis and reduce the overall premiums reported.

Claims incurred
Claims incurred consist of gross claims incurred and reinsurers' share of claims incurred. Gross claims incurred consists of claims paid and reinsurers' share of claims paid. Reinsurers' share of claims incurred consists of reinsurers' share of claims paid and reinsurers' share of change in provision for gross outstanding claims. The claims cost includes provision for indirect claims handling costs. The claims incurred also contains run-off gains / losses on previous years' claims provisions.

Total insurance-related operating expenses
Total insurance-related operating expenses consist of sales- and administrative expenses, less commissions received on ceded reinsurance premiums. Operating costs related to claims handling are transferred to claims cost.

Technical provisions
The technical provisions are calculated in accordance with the principles established in the regulations in financial statement regulations for insurance companies §3-5.

Provision for unearned premiums
The premium provision represents the accrual of insurance premiums and comprises the unearned portion of premiums written during the year. The earned premiums are accrued linearly throughout the period of insurance.

Claims provision
The claims provision comprises provisions for claims which are reported but not settled, and claims incurred but not reported at the end of the accounting year. The provisions in respect of known losses are individually assessed by the claims department, while the provisions for claims not yet reported are based on empirical data and the application of actuarial calculations. The provisions shall cover the company's expected future claims payments for risks covered to date.

Natural perils capital
Operating surplus from the mandatory Norwegian Natural Perils Pool must be allocated to a separate Natural Perils capital. These funds may only be drawn upon in respect of claims related to losses caused by natural perils. The fund is restricted equity.

Guarantee scheme provision
The purpose of the guarantee scheme provision is to guarantee that claims submitted under direct non-life insurance contracts entered into in Norway are settled in full. The fund is restricted equity.

Reinsurers' share of gross technical provisions
Reinsurers' share of gross technical provisions is classified as an asset in the balance sheet. Reinsurers' share of gross premium provisions and reinsurers' share of gross claims provision are included in reinsurers share of gross technical provisions.

Fixed assets and intangible assets
Fixed assets and intangible assets are recognised at acquisition costs, and are written down to actual value when the depreciation in value is not expected to be temporary. Depreciations are deducted from the durable business assets and intangible assets. Potential expenditures or improvements are added to the business assets acquisition cost and depreciate in line with the business asset.

The immaterial assets comprise software and IT-systems. The Company's IT-systems are developed in-house, while other IT systems are standard systems.

Receivables
In the financial statement trade debtors and other receivables are accounted for at face value adjusted for provisions for expected losses. Provisions for expected losses are made based on evaluations of the individual receivables.

Bank
Bank deposits are deposits used in the continuing operations.

Financial assets and liabilities
Financial instruments are recognized and measured in accordance with IAS 39. IFRS 9 Financial instruments that replace IAS 39 were generally applied from 1 January 2018, but the regulations on annual accounts for non-life insurance companies provide for the use of IFRS 39 for the financial years up to and including 2022

Recognition and derecognition
Financial assets and liabilities are included in the statement of f inancial position from the time Protector becomes party to the instrument's contractual terms and conditions. Normal purchases and sales of financial instruments are recorded on the transaction date. When a financial asset or a financial liability is initially recognised in the financial statements, it is valued at fair value.

Financial assets are derecognised when the contractual right to the cash flow from the financial asset expires, or when the company transfers the financial asset to another party in a transaction by which all, or virtually all, the risk and reward associated with ownership of the asset is transferred.

Financial liabilities are derecognised in the statement of financial position when they cease to exist, i.e. once the contractual liability has been fulfilled, cancelled or has expired.

Financial assets at fair value through profit or loss
Financial assets and liabilities are classified at fair value through p rofit or loss if they are included in a portfolio that is measured and evaluated regularly at fair value. Protector holds an investment portfolio that is designated at fair value at initial recognition, and that is managed and evaluated regularly at fair value. This is according to the Board of Directors' approved risk management and investment strategy.

Financial assets that are booked at fair value through profit or loss are booked at fair value when acquired and transaction costs are allocated in the accounts. Financial assets with fair value through profit or loss are considered to represent fair value once they appear in the statement of financial position for the first time.

Financial liabilities at amortised cost
Financial liabilities are measured at amortised cost using an effective interest method. Transaction costs related to the issue of the loan are included in the amortised cost. Where the time horizon for the maturity date is relatively short, the nominal interest rate is used to calculate amortised cost.

In the category of financial liabilities at amortised cost, subordinated loan capital is included.

Investments in associated companies
Investments in associated companies are accounted for using the equity method.

Dividend
Dividend from investments is recognised when the company has an unconditional right to receive the dividend. Dividend payments is recognised as a liability at the time when the General Meeting approves the payment of the dividend.

Provisions
Provisions are recognised when the company has a legal or constructive obligation as a result of a past event, it is probable that this will result in the payment or transfer of other assets to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Information about contingent assets are disclosed where an inflow of economic benefits is probable. Information about a contingent liability is disclosed unless the possibility of a capital outflow is remote.

Pensions
Protector has country-specific defined contribution pension schemes. A defined contribution pension scheme means that the company pays an annual contribution to the employees' collective pension savings. The future pension will depend on the size of the contribution and the annual return on the pension savings. The company has no further obligation related to work effort delivered after the annual contribution has been paid. There is no provision for accrued pension obligations in such schemes. Defined contribution pension plans are expensed directly.

Tax
The tax expense in the income statement consists of payable tax for the accounting period, and the period's changes in deferred tax. In the accounting period, we have used 25% on deferred tax and on payable tax.

Deferred tax is calculated of the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, together with tax loss carried forward at the end of the fiscal year. Temporary tax increases or decreases, which are reversed or may reverse within the same period, are balanced. Deferred tax assets are recorded in the statement of financial position when it is more likely than not that the tax assets will be utilized.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in the total comprehensive income, when it is recognised it the total comprehensive income.

Discontinued operations
Protector presents discontinued operations on separate lines in the income statement and balance sheet when the relevant business on the reporting date has been decided to sell or liquidate. The compa¬rative figures are restated accordingly. Specification of the individual items are included in a separate note.

Cash flow statement
Cash flows from operating activities are presented according to the direct method, which gives information about material classes and payments.

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements IFRS and the application of the adopted accounting policies require that management make assessments, prepare estimates and apply assumptions that affect the carrying amounts of assets and liabilities, income and expenses. The estimates and the associated assumptions are based on experience and other factors that are assessed as being justifiable based on the underlying conditions. Actual figures may deviate from these estimates. Changes in accounting estimates are recognised in the period the estimates are revised if the change only affects this period, or both in the period the estimates change and in future periods if the changes affect both the existing and future periods.

The accounting policies that are used by Protector in which the assessments, estimates and prerequisites may deviate significantly from the actual results are discussed below.

Financial assets at fair value
There will be uncertainty associated with pricing of financial instruments particularly related to instruments that are not priced in an active market. See note 9.

Technical provisions
Use of estimates in calculation of technical provisions is primarily applicable for claims provisions. Insurance products are generally divided into two main categories: lines with short or long settlement periods. The settlement period is defined as the duration between a loss and/or notification date reported and settlement date. Products with short settlement periods are e.g. property insurance, while products with long settlement periods primarily involve personal and liability lines of business. The uncertainty in the estimates of claims provisions is highest for products with long settlement periods.

For products with long settlement periods the risk is linked to the fact that the total claim costs must be estimated based on experience and empirical data. For certain personal lines products, it may take 10 to 15 years before all the claims that occurred in a particular calendar year are reported to the company. In addition, there will be many instances where the reported information is inadequate to calculate correct claims provisions. This may be due to ambiguity concerning the causal relationship and uncertainty about the injured party's future work capacity etc. Many personal injury claims are tried in the court system, and the level of compensation for such claims has increased over time. This will also be a consequence for claims that occurred in previous years which have not yet been settled. The risk linked to provisions for personal lines of business is thus effected by external conditions. To reduce this risk, the company calculates its claims related liabilities based on various methods and ensures that the registered provisions linked to ongoing claims are updated at all times based on the current calculation rules.

Claims provisions consist of RBNS (Reported But Not Settled), IBNR (Incurred But Not Reported) and ULAE (Unallocated Loss Adjustment Expenses). RBNS are made on single claims level, and are based on standard reserves or claims handler's assessments, based on available information related to specific claims.

IBNR are estimated based on recognized actuarial models. Models applied are mainly variations based on Bornhuetter-Ferguson and Chain Ladder methodologies. Bornhuetter-Ferguson is mainly used for products with long settlement periods, while Chain Ladder is also used for products with short settlement periods. The volume and period of exposure are assumed to be sufficient for most lines of business in Norway, to estimate a run-off pattern based on company data. Market data combined with own experience base is used to estimate a complete settlement pattern for insurance industries with assumed longer settlement time than own experience basis. This mainly applies to occupational injury insurance in Denmark and Finland, as well as liability industries in the UK. The models are used as guiding calculating tools and are always subject to a fairness assessment. Gross IBNR are estimated per combination of accident year / segment / line of business / country. Net IBNR are calculated proportionally to the net premium where there are ceded premium. IBNR are in general set on aggregated portfolio level. A few claims have explicit IBNR, set on a single claim basis.

ULAE are the company's estimate of the cost related to future claims handling, and is not yet allocated to the reserve for each case. ULAE are estimated based on methodology and parameters developed and distributed by the Norwegian FSA.

No discounted values are used for the accounting technical provisions.

Contingent liabilities
Protector operates an extensive business in Norway and abroad, and may become a party to litigations. Accounting for contingent liabilities is assessed in each case and based on legal assessments. See note 26.

NOTE 3 INSURANCE RISK

The risk in any insurance contract is the probability that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and must therefore be estimated.

Factors that have a negative impact on insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Protector operates primarily in the Scandinavian market and in Finland and UK. Protector covers all classes of business within general insurance. Protector seeks to diversify the insurance portfolio to reduce the variability of the expected results.

Premium risk
Premium risk is the risk related to whether charged premiums are sufficient to cover payable liabilities in respect of insurance contracts Protector enters into.

This risk is assessed and managed on the basis of statistical analysis of historical experience for the various lines of business. The insurance premium must be sufficient to cover expected claims, but also comprise a risk premium equal to the return on the part of the company's capital that is used to protect against random fluctuations. All other factors equal, this means that lines of business which, from experience, are subject to major fluctuations, must include a larger risk premium.

Reinsurance is used to reduce the underwriting risk in areas where this is particularly required.

The company has clearly specified guidelines for which types of insurance risks, as well as which limits of liability that can be written. Underwriting limits are in place to ensure that appropriate risk selection criteria are applied and to ensure that accepted risks are within the terms and conditions of the company's reinsurance contracts. Protector's reinsurance contracts which are a combination of quota share and XL agreements, further reduces the risk exposure. Insurance risks are considered moderate with the reinsurance cover the company has in place.

Reserve risk

Once the policy period expires, the insurance risk relates to the provisions which are set aside to cover future payments on claims incurred. Clients may report claims with a certain delay. Depending on the complexity of the claim, a shorter or longer period of time may pass until the amount of the claim has been finally calculated. This may be a prolonged process particularly for personal injuries. Even when the claim has been settled, there is a risk that it will be resumed at a later date and trigger further payments.

The size of the claims provisions is determined both through individual assessments and actuarial calculations. At 31 December 2021, the claims provisions amounted to NOK 5,432 million for own account.

The duration of the provisions, that is, the average duration of provisions being settled to clients, was 3.6 years at 31 December 2021. 1%-point increases in inflation will result in a growth in claims provisions of NOK 197 million. The table below shows how future cash flow is related to provisions for outstanding claims for own account at 31 December 2021.

The calculation of provisions for claims will always be subject to considerable uncertainty. Historically, many insurers have experienced substantial positive as well as negative impacts on profit (run-off) resulting from reserving risk and this may also happen in the future.

CASH FLOW CONNECTED TO CLAIMS PROVISIONS FOR OWN ACCOUNT

	Future cash flow related to claims incurred					
[1.000 NOK] At 31. December 2021		0 - 5 years	5 - 10 years	11 - 15 years	16 - 20 years	More than 20 years
Claims provisions for own account	5 431 908	4 154 645	916 380	212 587	71 371	76 925

Reserving risk is managed by pursuing a reserving policy which ensures that the process for determining provisions for claims is updated and aligned at all times. This includes that it is based on an underlying model analysis, and that internal control calculations and evaluations are made.

GROSS CLAIMS DEVELOPMENT

[1.000 NOK]	2012	2013	2014	2015	2016	2017	2018	2019	2020	**2021**	Total
2012	808 829										808 829
2013	787 758	1 157 525									1 945 284
2014	788 515	1 144 521	1 435 072								3 368 108
2015	792 037	1 145 918	1 400 422	1 793 811							5 132 188
2016	711 408	1 124 848	1 447 439	1 744 304	2 288 759						7 316 758
2017	737 271	1 087 996	1 390 333	1 722 230	2 359 937	3 554 617					10 852 384
2018	727 217	1 074 835	1 353 262	1 708 699	2 341 456	3 483 932	3 882 631				14 572 031
2019	705 575	1 065 100	1 330 017	1 728 158	2 410 805	3 505 709	3 991 883	4 318 733			19 055 979
2020	696 737	1 066 438	1 379 293	1 798 728	2 551 554	3 535 339	4 104 664	4 329 862	4 018 661		23 481 276
Estimated amount as at 31.12.2021	698 434	1 054 902	1 382 305	1 847 398	2 535 526	3 531 747	4 197 467	4 283 950	3 978 961	3 992 646	27 503 337
Total disbursed	664 121	975 395	1 191 595	1 476 985	2 020 716	2 606 971	3 335 580	3 166 243	2 524 915	1 532 887	19 495 407
Provisions for claims	34 313	79 506	190 710	370 412	514 811	924 776	861 888	1 117 707	1 454 046	2 459 759	8 007 929
Provisions for claims from claims prior years (before 2012)											34 413
Provision for indirect claims handling costs (ULAE)											361 760
Total provisions for claims											8 404 102

The size of claims provisions
Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques. Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability of the expected outcome will be.

The frequency and severity of claims can be affected by several factors. The different factors will depend on the products, or lines of business considered. An increase in the frequency of claims can be due to seasonal effects and more sustainable effects. In some lines of businesses, with relatively few claims, severe claims may heavily influence the result. In most lines of businesses, the underlying development of the severity of claims is influenced by inflation.

See the effect on profit before tax (for own account) in the sensitivity analyses below for 1% change in operating expenses, 1% change in claims incurred,1%-point change in combined ratio and 1%-point change in inflation.

EFFECT ON PROFIT BEFORE TAX (NOK 1.000)	2021	2020
1 % change in insurance-related operating expenses	4 876	4 710
1 % change in claims incurred	38 101	39 014
1 % - point change in combined ratio	49 207	46 135
1 % - point change in inflation	197 388	298 643

NOTE 4 FINANCIAL RISK

Liquidity risk

Liquidity risk in an insurance company is mainly related to the inability to meet payments when due.

The company's financial assets are, in addition to bank deposits, mainly invested in liquid fixed-income securities and shares.

The liquidity risk is therefore limited. Premium income is paid up front, and claims are paid out at a later stage.

Future payments are not based on contractual payment dates, but rather when claims arise and how long the claims handling takes.

Cash flow for financial liabilities grouped by maturity

[1.000 NOK] At 31. December 2021	Less than one year	1 - 3 years	More than 3 years	Total cash flow	Total carrying amount
Subordinated loan capital*)	588 502	81 080	908 246	1 577 828	1 384 664
Foreign exchange derivatives	26 146			26 146	26 146
Liabilities	3 127 175			3 127 175	3 127 175
Total financial liabilities	**3 741 823**	**81 080**	**908 246**	**4 731 149**	**4 537 985**

*)The cash flow is calculated up to the first call

Market risk
Market risk is the risk of loss on open positions in financial instruments as a result of changes in market variables and / or market conditions within a specified time horizon. Market risk is therefore the risk of price changes in the financial markets, which affect the value of the company's financial instruments.

An increase of one percent in interest rates will lead to a reduction in the portfolio of bonds and other fixed-income securities by an estimate of NOK 44.7 million before tax. This corresponds to an interest rate sensitivity of about 0.37 percent.

Foreign exchange risk
Foreign exchange risk is defined as the financial loss resulting from a fluctuations in currency exchange rates. The company has an exposure to foreign exchange risk through its investments.
Some of the investments in bonds and equities are in foreign currency, mainly in EUR, DKK, SEK and GBP.
Generally, foreign exchange risk in the investment portfolio is hedged close to 100 percent, within permitted limit of +/- five percent per currency.

Rating	Investments allocated per rating category	
[1.000 NOK]	2021	2020
Bonds and other fixed-income securities		
AAA	3 423 642	3 101 944
AA	186 161	10 967
A	470 341	622 852
BBB	435 861	601 033
BB	67 538	176 688
No rating	3 670 970	4 086 041
Totalt bond by rating	**8 254 514**	**8 599 526**
Bond fund not managed by Protector	1 721 257	1 009 423
Total bonds and other fixed-income securities	**9 975 771**	**9 608 949**
Bank deposits related to investment portfolio		
AA	422 622	258 294
A	1 264 254	1 459 020
BBB	65 646	40 082
No rating	350 978	273 249
Totalt bank deposits related to investment portfolio	**2 103 501**	**2 030 646**

Protector's main market is Nordic bonds where there is a high proportion of unrated issuers / securities.
The weighted average for the bond portfolio is assessed at investment grade where the average of the rated securities is higher and the unrated ones are lower than the average.

Bank deposits associated with the investment portfolio mainly consist of restricted bank deposits with 31 days 'notice, and with 31 days' notice for a change in interest margin. It is not possible to make any deposits or withdrawals during the term. The interest rate is adjusted daily in accordance with NIBOR3M.

The company manages the investment portfolio in compliance with Solvency II, cf. Art 132 ("Prudent Person Principle") and the Financial Undertakings Act, cf. § 13-10 which requires emphasis on prudent funding, safety, risk diversification and income, and adapting the investment management accordingly to changes in risk related to the different business areas.
Qualitative and quantitative limits for the company's AUM is specified in the investment management mandate is reviewed, updated and approved by the Board of Directors at least once a year, or with a higher frequency if needed.
The compliance of the requirements of investment management mandate is monitored internally, and is reported internal in the company and to the Board of Directors on regular basis.
The company have established an ORSA-process and risk reporting that among other things monitors and reports the company's risk exposure to the Board of Directors.

NOTE 5 SEGMENT INFORMATION

	Norway[2]		Sweden		Denmark		UK		Finland		Total	
[1.000 NOK]	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Gross written premiums[1]	1 415 046	1 382 605	1 820 477	1 607 426	918 677	972 504	1 618 145	1 327 792	178 227	225 996	5 950 571	5 516 322
Gross premiums earned	1 398 303	1 443 433	1 749 251	1 605 185	880 189	982 997	1 460 516	1 130 990	257 817	216 957	5 746 076	5 379 562
Gross claims incurred	(1 088 567)	(1 170 485)	(1 038 146)	(1 269 108)	(904 643)	(1 105 963)	(1 237 627)	(722 110)	(199 414)	(156 954)	(4 468 397)	(4 424 620)
Earned premiums, net of reinsurance	1 245 353	1 292 632	1 512 322	1 401 905	761 435	861 121	1 170 932	863 837	230 694	194 018	4 920 737	4 613 513
Other insurance-related income	3 978	4 986	367	457	532	443	2 183	8 588	1 656	5 035	8 716	19 510
Claims incurred, net of reinsurance	(1 021 827)	(1 036 188)	(949 203)	(1 119 342)	(631 268)	(991 252)	(1 027 591)	(610 976)	(180 174)	(143 612)	(3 810 063)	(3 901 370)
Sales costs	(56 598)	(66 448)	(138 470)	(141 004)	(26 990)	(22 321)	(135 456)	(97 390)	(4 151)	(4 169)	(361 665)	(331 332)
Administration costs	(49 020)	(58 003)	(75 851)	(63 440)	(46 935)	(43 851)	(74 629)	(48 895)	(10 179)	(7 097)	(256 615)	(221 286)
Commission from reinsurers	16 501	45 189	59 961	24 598	21 061	(16 527)	28 107	23 880	5 071	4 467	130 701	81 607
Other insurance-related expenses	(14 868)	(1 123)	788	(1 792)	(13 816)	(5 904)	(8 386)	(2 897)	(1 129)	(2 334)	(37 410)	(14 049)
Technical result	**123 519**	**181 046**	**409 916**	**101 382**	**64 020**	**(218 290)**	**(44 841)**	**136 146**	**41 787**	**46 307**	**594 401**	**246 591**
Other income/expenses	(57 680)	(63 837)	(788)	(479)	27	(1 166)	2 084	(1 787)	(31)	295	(56 388)	(66 973)
Net financial income	758 345	770 023	98 894	84 108	(1 430)	3 724	6 365	14 812	16 151	(7 468)	878 325	865 199
Profit before tax	**824 184**	**887 232**	**508 021**	**185 011**	**62 618**	**(215 732)**	**(36 392)**	**149 172**	**57 906**	**39 135**	**1 416 338**	**1 044 818**
Claims ratio, net of reinsurance[1]	82,1 %	80,2 %	62,8 %	79,8 %	82,9 %	115,1 %	87,8 %	70,7 %	78,1 %	74,0 %	77,4 %	84,6 %
Expense ratio, net of reinsuranc[1]	7,2 %	6,1 %	10,2 %	12,8 %	6,9 %	9,6 %	15,5 %	14,2 %	4,0 %	3,5 %	9,9 %	10,2 %
Combined ratio, net of reinsurance[1]	**89,2 %**	**86,3 %**	**73,0 %**	**92,7 %**	**89,8 %**	**124,7 %**	**103,3 %**	**84,9 %**	**82,1 %**	**77,5 %**	**87,3 %**	**94,8 %**
Claims ratio gross[1]	77,8 %	81,1 %	59,3 %	79,1 %	102,8 %	112,5 %	84,7 %	63,8 %	77,3 %	72,3 %	77,8 %	82,2 %
Cost ratio gross[1]	7,6 %	8,6 %	12,3 %	12,7 %	8,4 %	6,7 %	14,4 %	12,9 %	5,6 %	5,2 %	10,8 %	10,3 %
Combined ratio gross[1]	**85,4 %**	**89,7 %**	**71,6 %**	**91,8 %**	**111,2 %**	**119,2 %**	**99,1 %**	**76,8 %**	**82,9 %**	**77,5 %**	**88,5 %**	**92,5 %**

[1] Defined as alternative performance measure (APM). APMs are described on www.protectorforsikring.no in document named APMs Protector Forsikring 2021.
[2] Does not include discontinued operations (change of ownership).

NOTE 6 PREMIUMS AND CLAIMS

	General insurance										Life insurance	
[1.000 NOK]	Medical expense insurance	Income protection insurance	Workers' compen-sation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Miscel-laneous financial loss	**Direct business and accepted proportional reinsurance**	Group life	**Total**
PREMIUM INCOME[1,2]												
Gross premiums written	191 850	133 044	321 103	796 692	1 284 936	16 118	2 347 274	533 234	1 835	**5 626 087**	324 484	**5 950 571**
Reinsurers' share of gross premiums written	(18 104)	(13 405)	(41 209)	(101 514)	(123 724)	(1 561)	(387 105)	(105 759)	(179)	**(792 561)**	(32 656)	**(825 217)**
Premiums written for own account	173 746	119 639	279 894	695 178	1 161 212	14 557	1 960 169	427 475	1 656	**4 833 526**	291 828	**5 125 354**
PREMIUM EARNED												
Gross premiums earned	189 866	134 054	402 972	738 336	1 237 243	15 611	2 210 048	495 910	1 792	**5 425 832**	320 244	**5 746 076**
Reinsurers' share of gross premiums earned	(18 104)	(13 405)	(41 209)	(101 514)	(123 724)	(1 561)	(385 790)	(107 195)	(179)	**(792 683)**	(32 656)	**(825 339)**
Premiums earned for own account	171 762	120 649	361 763	636 822	1 113 518	14 050	1 824 258	388 715	1 613	**4 633 149**	287 588	**4 920 737**
CLAIMS												
Gross claims incurred	202 823	172 123	489 194	1 017 701	563 636	940	1 148 739	571 386	158	**4 166 701**	301 696	**4 468 397**
Reinsurers' share of gross claims incurred	(19 796)	(25 623)	(127 028)	(147 358)	(54 818)	(93)	(112 382)	(142 107)	(16)	**(629 220)**	(29 113)	**(658 334)**
Claims incurred, net of reinsurance	183 026	146 500	362 167	870 343	508 818	846	1 036 357	429 280	142	**3 537 480**	272 583	**3 810 063**
GROSS CLAIMS INCURRED												
Occurred this year	174 783	144 809	316 250	830 255	755 438	7 249	1 345 749	426 195	592	**4 001 320**	300 446	**4 301 766**
Occurred previous years	28 040	27 315	172 944	187 446	(191 802)	(6 310)	(197 011)	145 192	(433)	**165 381**	1 250	**166 631**
Total for the accounting year	202 823	172 123	489 194	1 017 701	563 636	940	1 148 739	571 386	158	**4 166 701**	301 696	**4 468 397**
CLAIMS INCURRED NET OF REINSURANCE												
Occurred this year	156 845	130 333	284 228	712 514	679 950	6 525	1 201 184	352 869	532	**3 524 982**	270 304	**3 795 286**
Occurred previous years	26 181	16 167	77 939	157 829	(171 132)	(5 679)	(164 827)	76 410	(390)	**12 498**	2 279	**14 777**
Total for the accounting year	183 026	146 500	362 167	870 343	508 818	846	1 036 357	429 280	142	**3 537 480**	272 583	**3 810 063**
TECHNICAL PROVISIONS GROSS												
Provisions for unearned premiums	25 006	36 199	(115 749)	244 658	328 302	3 998	812 841	185 603	43	**1 520 901**	54 563	**1 575 464**
Provisions for claims	359 754	630 870	2 971 139	1 250 025	168 505	7 423	1 269 773	1 612 368	503	**8 270 360**	133 743	**8 404 103**
Technical provisions gross	384 760	667 069	2 855 389	1 494 683	496 808	11 420	2 082 614	1 797 971	546	**9 791 260**	188 306	**9 979 567**
TECHNICAL PROVISIONS NET OF REINSURANCE												
Provisions for unearned premiums	22 031	32 471	(104 174)	220 192	295 472	3 598	722 306	157 333	38	**1 349 268**	49 107	**1 398 375**
Provisions for claims	320 983	535 852	1 166 387	1 037 467	151 655	6 680	1 120 594	973 105	453	**5 313 176**	118 731	**5 431 908**
Technical provisions net of reinsurance	343 014	568 323	1062213	1 257 659	447 127	10 278	1 842 901	1 130 437	491	**6 662 444**	167 838	**6 830 282**

[1] Premiums comprise of insurance premiums in Norway, Sweden, Denmark, Finland and UK. See note 5 for segment information.
[2] Defined as alternative performance measure (APM). APMs are described on www.protectorforsikring.no in document named APMs Protector Forsikring 2021.

NOTE 7 INTANGIBLE ASSETS

[1.000 NOK]	2021	2020
Costs as at 01.01.	157 255	123 589
Convention difference	(401)	1 262
Additions	33 919	32 441
Write-downs		(37)
Costs as at 31.12	**190 773**	**157 255**
Accumulated depreciation at 31.12	**(113 308)**	**(99 361)**
Write-downs		37
Intangible assets connected to discontinued operations	**4 128**	**4 241**
Net book value as at 31.12	**73 336**	**53 690**
Annual depreciationr	14 345	14 826

Intangible assets consist of in-house developed insurance systems and are depreciated on a straight-line basis over the expected useful life.

Expected useful life (years)	3-8	3-8

NOTE 8 PROPERTY AND TANGIBLE FIXED ASSETS

[1.000 NOK]	Office machinery	Furniture and fixtures	Art	2021	2020
Cost as at 01.01	56 433	24 177	216	80 826	80 912
Currency difference	(500)	(234)		(734)	1 051
Additions	18 342	555		18 897	9 231
Scrapping	(21 408)	(1 300)		(22 708)	
Disposals					(10 368)
Cost as at 31.12	**52 866**	**23 198**	**216**	**76 280**	**80 826**
Accumulated depreciation at 31.12	**(30 027)**	**(12 260)**		**(42 287)**	**(50 382)**
Net book value as at 31.12	**22 839**	**10 939**	**216**	**33 994**	**30 444**
Annual depreciation	11 899	3 254		15 153	13 951

Fixed assets are depreciated on a straight-line basis over the assets expected useful life. Artworks are not depreciated.

Expected useful life (years)	3-5	7			

NOTE 9 INVESTMENTS

[1.000 NOK]	Book value 31.12.21	Fair value 31.12.21	Book value 31.12.20	Fair value 31.12.20
Shares in associated companies	138 377	174 128	-	-
Shares	1 982 711	1 982 711	1 794 922	1 794 922
Bonds and other fixed-income securities	9 975 771	9 975 771	9 608 949	9 608 949
Financial derivatives	102 300	102 300	53 654	53 654
Bank deposits related to investments	2 103 501	2 103 501	2 030 646	2 030 646
Total financial assets at fair value	**14 302 660**	**14 338 410**	**13 488 170**	**13 488 170**
Financial assets discontinued operations	1 141 891	1 144 745	1 451 730	1 451 730
Financial assets continued operations	13 160 769	13 193 665	12 036 440	12 036 440
Financial derivatives	26 146	26 146	(61 402)	(61 402)
Other financial liabilities	-	-	(4 672)	(4 672)
Total financial liabilities at fair value	**26 146**	**26 146**	**(66 075)**	**(66 075)**

Investment in associated companies

[1.000 NOK]	Place of business	Ownership	Result	Book value 31.12.21
B3 Consulting Group AB (publ.)	Stockholm	25,7 %	11 766	138 377

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

SHARES

[1.000 NOK]	Currency	Fair value	Identification no. Norwegian companies
Amsterdam Commodities N.V.	EUR	139 580	
Atos SE	EUR	62 110	
BankNordik P/F	DKK	201 477	
Christian Berner Tech Trade AB	SEK	16 575	
Columbus A/S	DKK	54 932	
Danske Bank A/S	DKK	104 986	
Elanders AB Class B	SEK	300 013	
eWORK Group AB	SEK	224 880	
Fairfax Financial Holdings Lim	CAD	72 108	
Forsikringsakademiet	DKK	50	
FBD Holdings PLC	EUR	218 209	
Indus Holding AG	EUR	109 942	
JOST Werke AG	EUR	9 809	
Jyske Bank A/S	DKK	263 739	
Lassila And Tikanoja	EUR	1 868	
NRC Group ASA	NOK	42 944	910686909
Origin Enterprises PLC ORD	EUR	66 131	
Projektengagemang Sweden AB se	SEK	72 355	
SAF Holland SA	EUR	11 013	
Scandi Standard AB	SEK	9 989	
Total shares		**1 982 711**	

The share portfolio consist of shares listed on the stock exchange in Norway, Sweden, Denmark, Finland, Ireland and Canada. Forsikringsakademiet is not listed. The share portfolio is diversified, but affected by fluctuations in the stock market, in addition to the regular development in each company.

BONDS AND OTHER FIXED-INCOME SECURITIES		
[1.000 NOK]	Fair value	Duration
Government bonds etc.	460 384	0,87
Corporate bonds etc.	7 794 129	0,36
Bond fund	1 721 257	0,55
Total bonds and other fixed-income securities year 2021	**9 975 771**	**0,42**
- of this, subordinated loan capital in other companies 2021	315 693	0,26
Total bonds and other fixed-income securities year 2020	9 608 949	0,44
- of this, subordinated loan capital in other companies 2020	639 009	0,29

Average yield adjusted for currency hedging effect is 2.2 %. Average interest rate is future cash flows (coupon disbursements and payments on principal amount) discounted with expected market rate for the security concerned at the particular cash flow points in time.

VALUATION OF FINANCIAL ASSETS AND LIABILITIES

The fair value of listed investments is based on the current sales price. Financial instruments measured at fair value are valued on a daily basis. Directly observable prices in the market are used as far as possible. The valuations for the different types of financial instruments are based on recognised methods and models.

Level 1: Financial instruments valued on the basis of quoted prices for identical assets in active markets

This category encompasses listed equities that over the previous three months have experienced average daily trading equivalent to approximately NOK 20 million or more. Based on this, the equities are regarded as sufficiently liquid to be included at this level. Bonds, certificates or equivalent instruments issued by national governments are generally classified as level 1.

Level 2: Financial instruments valued on the basis of observable market information not covered by level 1

This category encompasses financial instruments that are valued on the basis of market information that can be directly observable or indirectly observable. Market information that is indirectly observable means that the prices can be derived from observable related markets. Level 2 includes shares or equivalent equity instruments for which market prices are available, but where the volume of transactions is too limited to fulfil the criteria in level 1. Shares in this level will normally have been traded during the last month. Bonds and equivalent instruments are generally classified in this level. Foreign exchange derivatives are classified as level 2. Fund investments are generally classified as level 2.

Level 3: Financial instruments valued on the basis of information that is not observable in accordance with level 2
If one or more of the key parameters in a valuation model is not based on observable market data, the instrument must be reported in this category.

[1.000 NOK] Financial assets at fair value through profit or loss		Level 1	Level 2	Level 3	Total
Shares		502 943	1 479 768		**1 982 711**
Bonds and other fixed-income securities			9 975 771		9 975 771
Bank deposits		2 103 501			2 103 501
Derivatives:					
Foreign exchange contracts			80 528		80 528
Options			21 773		21 773
Total assets year 2021		**2 606 444**	**11 557 839**	**-**	**14 164 283**
Total assets year 2020		2 279 059	11 209 059	52	13 488 170

[1.000 NOK] Financial liabilities at fair value through profit or loss		Level 1	Level 2	Level 3	Total
Foreign exchange contracts			(26 146)		(26 146)
Total financial liabilities year 2021			**(26 146)**	**-**	**(26 146)**
Total financial liabilities year 2020		(4 672)	(61 402)	-	(66 075)

[1.000 NOK] Financial liabilities at amortized cost	Level 1	Level 2	Level 3	Total fair value	Total book value
Subordinated loan capital		(1 384 664)		**(1 384 664)**	**(1 384 664)**
Total financial liabilities year 2021		**(1 384 664)**		**(1 384 664)**	**(1 384 664)**
Total financial liabilities year 2020		(1 473 035)		(1 473 035)	(1 473 035)

NOTE 10 RECEIVABLES

[1.000 NOK]	2021	2020
Receivable tax	17 821	26 851
External claims handlers	37 845	10 545
Other receivables	39 591	74 875
Total	**95 258**	**112 271**

NOTE 11 RESTRICTED BANK DEPOSITS

[1.000 NOK]	2021	2020
Restricted bank deposits in connection with claims settlement		14 884
Employee withholding tax	8 769	8 452
Total	**8 769**	**23 337**

NOTE 12 PREPAID EXPENSES AND DEFERRED INCOME

[1.000 NOK]	2021	2020
Prepaid expenses	218 579	273 627
Accrued unbilled premium	243 955	231 666
Total	**462 534**	**505 293**

NOTE 13 SHARE CAPITAL AND SHAREHOLDER INFORMATION

Share capital consists of:	No.of shares	Face value	Capital
A-shares (each share has one vote)	82 500 000	1	82 500 000
Protector Forsikring ASA has 2 248 shareholders at 31.12.2021.			

List of the 20 major shareholders at 31.12.2021	No.of shares	Ownership share in percent
Awc AS	8 370 828	10,1 %
Stenshagen Invest AS	7 526 353	9,1 %
Verdipapirfond Odin Norden	6 367 205	7,7 %
Citibank Europe Plc	5 025 410	6,1 %
Verdipapirfondet Alfred Berg Gamba	3 850 053	4,7 %
Hvaler Invest AS	2 811 809	3,4 %
Clearstream Banking S.A.	2 510 639	3,0 %
Artel AS	1 800 000	2,2 %
Verdipapirfondet Alfred Berg Norge	1 676 386	2,0 %
Mp Pensjon Pk	1 533 301	1,9 %
Pershing Llc	1 513 303	1,8 %
Utmost Paneurope Dac	1 487 000	1,8 %
Danske Bank AS	1 159 321	1,4 %
Verdipapirfondet Alfred Berg Aktiv	1 141 128	1,4 %
Verdipapirfondet Nordea Norge Verdi	1 112 327	1,3 %
State Street Bank And Trust Comp	1 012 327	1,2 %
Johan Vinje As	937 841	1,1 %
Vevlen Gård As	937 454	1,1 %
Aat Invest As	900 000	1,1 %
Avanza Bank AB	858 890	1,0 %
Total	**52 531 575**	**63,7 %**
Protector Forsikring ASA	128 031	0,2 %
Other shareholders	29 840 394	36,2 %
Total number of shares	**82 500 000**	**100,0 %**

Shares owned by the board of directors and their close relations, together with shares owned by other senior executives and their close relations at 31.12.2021	Identification	No.of shares	Ownership share in percent
Reeco AS	Deputy Chairman, Arve Ree	600 000	0,7 %
Alsøy Invest AS	Chairman of the Board, Jostein Sørvoll	502 751	0,6 %
Ditlev de Vibe Vanay	Chief Financial Officer	271 503	0,3 %
Hans Didring	Deputy CEO	258 593	0,3 %
Henrik Golfetto Høye	CEO	222 171	0,3 %
Steel City AS	Board member, Kjetil Andreas Garstad	196 706	0,2 %
Dag Marius Nereng	Chief Investment Officer	107 571	0,1 %
Øvre Gjøvik Gård AS	Deputy Chairman, Arve Ree	90 061	0,1 %
Leonard Bijl	IT Director	7 340	0,0 %
Kjetil Andreas Garstad	Board member	2 130	0,0 %
Fredrik Landelius	Country Manager Sweden	1 843	0,0 %
Anders Blom Monberg	Country Manager Denmark	1 768	0,0 %
Mathews Ambalathil	Employees' representative	791	0,0 %
Stuart Winter	Country Manager UK	568	0,0 %
Fredrik Haldor Øyan	Deputy employees' representative	568	0,0 %
Total		**2 264 364**	**2,7 %**

NOTE 14 PENSIONS

The company's pension schemes meet the requirements of the law.

For employees in Norway, the pension scheme has previously been a defined benefit scheme. It was discontinued in 2015 and all employees in Norway are now part of a defined contribution scheme where the contribution to the defined contribution pension is 5% of the defined contribution basis between 1 and 7.1 G (G = the basic amount in the National Insurance Scheme), and 8% of the defined contribution basis between 7.1 and 12 G.

In Sweden, the contribution to the defined contribution pension amounts to 4.5% of the salary up to 7.5 basic income amounts (Income base amount, amounted to 68,200 in 2021) and 30% of the salary beyond this. Salary above MSEK 1,8 is not a part of pension basis. The UK offers a defined contribution pension plan with Royal London to all eligible employees. The deposits amount to between 4% and 15% of the salary. In Denmark, the contribution to the defined contribution pension is 15% of salary, and in Finland the contribution to the defined contribution pension is 17.65% of salary.

The former CEO had an agreement on a top pension. In total, this scheme constituted a pension obligation of NOK 15 million as of 31.12.2020. The amount, including accrued provisions in 2021, a total of NOK 16.7 million, has been paid out as a lump sum in according to the pension agreement.

NOTE 15 TAXES

[1.000 NOK]	2021	2020
THIS YEAR'S TAXES ARE DIVIDED BETWEEN		
Payable tax	271 744	158 882
Correction previous years	(12 007)	(2 402)
Change in deferred tax	(2 890)	21 322
Tax discontinued operations	14 569	17 055
Total tax continued operations	**242 278**	**160 748**
Computation of this years tax		
Profit before tax	1 498 335	1 156 217
Other comprehensive income	(37 515)	3 159
Permanent differences	(483 181)	(438 745)
Changes in temporary differences	11 560	(86 007)
Basis for the tax expense of the year	989 199	634 624
Payable tax 25%	247 300	158 656
Payable tax foreign operations	24 444	226
Payable tax from previous years	(12 007)	(2 402)
Payable tax	259 737	156 480

Temporary differences	2021	2020	Changes
Fixed assets	(3 579)	(3 225)	355
Receivables	(897)	(904)	(7)
Gain and loss account	1 264	2 065	801
Financial assets	138 870	108 729	(30 141)
Technical provisions	350 669	409 114	58 445
Pension liabilities	-	(17 892)	(17 892)
Net temporary differences	**486 326**	**497 887**	**11 560**
Deferred tax 25 %	121 582	124 472	(2 890)
Deferred tax/ deferred tax assets in the balance sheet	(121 582)	(124 472)	2 890

RECONCILIATION OF TAX		
[1.000 NOK]	2021	2020
Profit before taxes 25%	374 584	289 054
Permanent differences 25%	(120 795)	(109 686)
Corrected tax previous years	(12 007)	(2 581)
Net paid tax for companies abroad	24 444	226
Calculated tax	**266 226**	**177 013**
Tax on other comprehensive income	(9 379)	790
Total tax according to income statement	**256 847**	**177 803**
Tax discontinued operations	14 569	17 055
Total tax continued operations	**242 278**	**160 748**

NOTE 16 OTHER LIABILITIES

[1.000 NOK]	2021	2020
Payables, operations	41 043	29 721
Payables, claims	32 341	13 363
Liabilities in connection to direct insurance	73 384	**43 084**
Reinsurance yet to be settled	2 238 317	934 027
Liabilities in connection to reinsurance	2 238 317	**934 027**
Allocation of employers contribution	11 403	11 800
Advance tax deduction	12 372	14 530
Unsettled within securities trades		4 672
Other liabilities	262 783	219 475
Other liabilities	**286 557**	**250 477**
Financial derivatives	26 146	61 402
Total liabilities	**2 624 404**	**1 288 990**

The company has no secured liabilities.

NOTE 17 ACCRUED EXPENSES AND DEFERRED INCOME

[1.000 NOK]	2021	2020
Bonus	209 931	126 342
Accrued vacation pay	30 890	28 666
Deferred income	230 790	211 302
RTV tax	46 019	39 649
Other accrued expenses	11 287	9 421
Total	**528 917**	**415 381**

NOTE 18 SALES EXPENSES

[1.000 NOK]	2021	2020
Internal payroll expenses	139 729	129 681
Commissions	221 935	201 651
Total	**361 665**	**331 332**
in % of overdue premium	6,1 %	6,0 %

NOTE 19 INSURANCE-RELATED ADMINISTRATIVE EXPENSES

[1.000 NOK]	2021	2020
Depreciations	29 498	28 124
Salary- and pensions costs (note 20)	594 521	555 149
Office costs	41 223	39 589
Remunerations	24 348	30 587
Claims handling costs (transferred to gross claims paid)	(301 723)	(299 177)
Internal sales expenses	(139 729)	(129 681)
Internal administrative costs	(66 511)	(64 373)
Other insurance-related administrative expenses in discontinued operations	74 988	61 070
Total	**256 615**	**221 286**

[1.000 NOK] **Auditing remuneration**	2021	2020
Auditing (inclusive VAT)	1 335	1 959
Other certification services (including VAT)	27	
Services regarding tax (inclusive VAT)	62	323
Other services outside auditing (inclusive VAT)	879	151
Total	**2 304**	**2 432**

NOTE 20 LABOUR EXPENSES, PENSIONS, NUMBER OF EMPLOYEES

[1.000 NOK]	2021	2020
Salaries	332 190	329 259
Bonus	124 449	102 296
Fees to the Board of Directors, Compensation Committee, Nomination Committee, Audit Committee	2 995	2 826
Defined benefit pension costs	925	1 342
Defined contribution pension costs	27 276	24 522
Social security tax	82 744	68 617
Other payments	23 943	26 287
Total	**594 521**	**555 149**

Number of employees	2021	2020
Number of employees at 31.12.	411,0	427,0
Number of man-labour years at 31.12.	400,0	432,1
Average number of employees at 31.12.	415,8	408,9
Average number of man-labour years at 31.12.	406,9	420,9

NOTE 21 REMUNERATIONS TO SENIOR EXECUTIVES

[1.000 NOK]	Salaries	Variable pay[3]	Other remu-nerations[2]	Paid-up pension premium	Total remune-rations
Senior executives					
Sverre Bjerkeli Former CEO (Ended 04/09/21) [2]	8 203	5 227	16 969	54	30 453
Henrik Golfetto Høye, CEO	4 675	3 069	11 924	75	19 743
Hans Didring, Deputy CEO	5 028	3 996	11 933	410	21 368
Ditlev De Vibe Vanay, CFO	3 166	1 432	4	73	4 674
Leonard Bijl , IT director	2 572	1 175	4	73	3 825
Dag Marius Nereng, CIO	3 350	1 034	6	74	4 464
Lars Krisitiansen, Country Manager Norway	1 819	72	4	72	1 967
Fredrik Landelius, Country Manager Sweden	1 863	720	11	415	3 010
Anders Blom Monberg, Country Manager Denmark	2 528	0	7	253	2 788
Stuart Winter, Country Manager UK	2 957	812	17	399	4 185
Total	**36 162**	**17 536**	**40 882**	**1 898**	96 478

	Long-term bonus scheme		
[1.000 NOK]	Number of synthetic shares allocated in 2021	Number of synthetic shares paid out in 2021	Holdings of synthetic shares as of 31.12.2021
Senior executives			
Sverre Bjerkeli Ex CEO (Quit 04/09/21) [2]	163 897	61 158	122 196
Henrik Golfetto Høye, CEO	95 070	35 934	74 946
Hans Didring, Deputy CEO	122 164	47 651	98 365
Ditlev De Vibe Vanay, CFO	54 953	16 787	38 167
Leonard Bijl , IT-Director	40 621	13 783	30 946
Dag Marius Nereng, CIO	26 782	12 040	24 437
Lars Krisitiansen, Country Manager Norway	4 195	839	3 356
Fredrik Landelius, Country Manager Sweden	22 503	8 588	18 471
Anders Blom Monberg, Country Manager Denmark			
Stuart Winter, Country Manager UK	19 541	8 329	28 895
Total	**549 724**	**205 109**	439 779

1 Other remunerations comprises of company car, telephone, insurance and other contractual benefits. Other benefits for Henrik Høye and Hans Didring include the value of 200,000 shares in Protector Forsikring transferred on 1.1.2021 without consideration as part of a 3-year incentive scheme..
2 Includes payment of Tophat pension and severance pay.
3 Paid out bonus long term bonus plan.

Guidelines for salaries and other remuneration as well as a report on remuneration to senior executives are published on the company's web-site www.protectorforsikring.no.

[1.000 NOK] [1]	Remunerations
The board	
Jostein Sørvoll, Chairman of the board	590
Arve Ree, Deputy Chairman	500
Else Bugge Fougner, Board member	330
Kjetil Andreas Garstad, Board member	438
Randi Helene Røed, Board member	448
Mathews Ambalathil, Employees' representative	150
Kristine Røkeberg Nilsen, Employees' representative	150
Total	**2 605**
Nomination Committee	
Per Ottar Skaaret, Chairman	48
Andreas Mørk, member	38
Vegard Søraunet, member	38
Total	**123**

[1] Remunerations paid out in accounting year 2021.

There were no loans granted or guarantees given to senior executives, other close related parties or members of governing bodies.

NOTE 22 NET FINANCIAL INCOME AND EXPENSES FROM FINANCIAL ASSETS

[1.000 NOK]	2021	2020
Net financial income from financial assets		
Income from investments in associated companies	11 766	
Interest income	208 947	264 910
Dividend shares	151 494	12 325
Unrealised gains/losses on financial assets	(23 724)	616 828
Gains/losses from realisation of financial assets	674 441	141 262
Administrations expenses on financial assets	(68 390)	(65 773)
Net financial income	**954 534**	**969 552**
Financial income discontinued operations	76 208	104 353
Financial income continued operations	878 325	865 199

NET FINANCIAL INCOME DIVIDED BY ASSET CLASS

Income from investments in associated companies	11 766	
Interest income from financial assets at fair value through profit or loss	208 947	264 910
Dividend	151 494	12 325
Net gains / (loss) from shares	566 584	432 975
Net gains / (loss) from bonds and other fixed-income securities	68 850	347 197
Net gains / (loss) from foreign exchange contracts	15 283	(22 081)
Administration expenses	(68 390)	(65 773)
Total net income and gains/ (loss) from financial assets at fair value through profit or loss	**954 534**	**969 552**
Financial income discontinued operations	76 208	104 353
Financial income continued operations	878 325	865 199

NOTE 23 EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit for the year assigned to the company's shareholders at a weighted average number of outstanding ordinary shares throughout the year, net of treasury shares.

[1.000 NOK]	2021	2020
Profit for the year assigned to the company's shareholders	1 203 973	981 573
Weighted average number of shares	82 351 250	81 850 429
Earnings per share	**14,62**	**11,99**
Earnings per share continued operations [1.000 NOK]	**2021**	**2020**
Profit for the year assigned to the company's shareholders	1 136 554	887 230
Weighted average number of shares	82 351 250	81 850 429
Earnings per share	**13,80**	**10,84**

NOTE 24 SOLVENCY POSITION

The company calculates solvency margin using standard formula. Solvency margin is ratio of the company's eligible solvency capital to its solvency capital requirement.

Solvency capital can be classified into three tiers. Solvency II regulations define if capital instruments belong to tier 1, 2 or 3 and any limits which apply for use of the capital in different tiers for coverage of solvency capital requirement. The company had no capital in tier 3 at 31.12.2021.

Available and eligible own fund

[1.000 NOK]	2021	2020
BASIC OWN FUNDS AS FORESEEN IN ARTICLE 68 IN THE ANEX OF 21ST DECEMBER 2015 REGULATION NR. 1807 REGARDING SUPLEMENTING RULES TO SOLVENCY II REGULATION		
Tier 1 - unrestricted	2 792 448	2 462 858
Tier 1 - restricted	493 348	349 734
Tier 2	1 008 445	1 212 838
Total basic own funds	**4 294 241**	**4 025 430**
The company's own funds consist of basic own funds only. Basic own funds consist of statutory equity adjusted for valuation difference between Solvency II and statutory value of assets and liabilities plus subordinated loan capital. Unrestricted T1 capital constituted 65 % (61 %) of the total capital. Tier 1 restricted capital constituted 11% (9 %). Tier 2 capital constituted 23% (30%). The company has no Tier 3 capital.		
AVAILABLE OWN FUNDS TO MEET THE SOLVENCY CAPITAL REQUIREMENT (SCR)		
Tier 1 - unrestricted	2 792 448	2 462 858
Tier 1 - restricted	493 348	349 734
Tier 2	1 008 445	1 212 838
Total available own funds to meet SCR	**4 294 241**	**4 025 430**
AVAILABLE OWN FUNDS TO MEET THE MINIMUM CAPITAL REQUIREMENT (MCR)		
Tier 1 - unrestricted	2 792 448	2 462 858
Tier 1 - restricted	493 348	349 734
Tier 2	1 008 445	1 212 838
Total available own funds to meet the MCR	**4 294 241**	**4 025 430**
ELIGIBLE OWN FUNDS TO MEET THE SOLVENCY CAPITAL REQUIREMENT (SCR)		
Tier 1 - unrestricted	2 792 448	2 462 858
Tier 1 - restricted	493 348	349 734
Tier 2	1 008 445	1 001 427
Total eligible own funds to meet the SCR	**4 294 241**	**3 814 019**
ELIGIBLE OWN FUNDS TO MEET THE MINIMUM CAPITAL REQUIREMENT (MCR)		
Tier 1 - unrestricted	2 792 448	2 462 858
Tier 1 - restricted	493 348	349 734
Tier 2	187 295	180 257
Total eligible own funds to meet the MCR	**3 473 092**	**2 992 849**

Protector Forsikring has exposure to insurance, market, credit, counterparty and operational risks.

SOLVENCY CAPITAL REQUIREMENT (SCR)	2021	2020
Market risk	971 189	843 072
Counterparty default risk	93 718	102 368
Lifeinsurance risk	1 074	1 198
Health underwriting risk	637 567	989 659
Non-life underwriting risk	1 653 398	1 468 235
Diversification	(1 025 436)	(1 137 872)
Basic Solvency Capital Requirement	2 331 511	2 266 660
Operational risk	261 105	255 760
Loss-absorbing capacity of deferred taxes	(511 555)	(519 565)
Total solvency capital requirement	**2 081 060**	**2 002 854**

Solvency capital requirement is calculated using standard formula with a 99.5% probability that total loss during 12 months will not exceed calculated capital requirement.

[1.000 NOK]	2021	2020
MINIMUM CAPITAL REQUIREMENT		
Linearly calculated MCR	1 076 252	1 128 543
Upper limit for MCR	936 480	901 284
MCR floor	520 267	500 714
Combined MCR	936 480	901 284
Absolute floor of the MCR	36 073	41 048
Minimum capital requirement	**936 480**	**901 284**

Minimum capital requirement is calculated using standard formula with a 85.0% probability that total loss during 12 months will not exceed calculated capital requirement. Minimum capital requirement is limited to minimum 25% and maximum 45% of the calculated SCR.

RATIO OF ELIGIBLE OWN FUNDS TO SCR	**206 %**	**190 %**
RATIO OF ELIGIBLE OWN FUNDS TO MCR	**371 %**	**332 %**

Assets and liabilities are valued at market value in the Solvency II balance sheet, which may lead to differences from the balance sheet recognized in accordance with accounting principles. The difference between the balance sheet and the Solvency II-balance mainly due to:

- Insurance liabilities are discounted in the Solvency II balance sheet, while they are entered without discounting in the accounts.
- In the accounts, the premium provisions correspond to unearned premiums, while in the Solvency II balance sheet the premium provisions are the best estimate of future liabilities. Unearned premiums are therefore multiplied by the expected future combined ratio with deductions for expected profits in future premiums before discounting.
- Solvency II risk margins is not included in the fiscal balance
- Provisions for the guarantee scheme are classified as a liability under the category «other liabilities» in the Solvency II balance sheet, but as equity in the accounting balance sheet.
- Different valuation of deferred tax due to differences between accounting values and Solvency II values.

NET TECHNICAL PROVISIONS	BOOK VALUE	SOLVENCY II
Premium provisions	1 398 375	1 035 529
Claims provisions	5 794 364	5 626 561
Risk marging		405 170
Total assets	**7 192 739**	**7 067 261**

*** Including discontinued operations (COI)**

NOTE 25 SUBORDINATED LOAN CAPITAL

The company has four subordinated loans at MNOK 400, MNOK 350, MNOK 500 and 350 MNOK. Subordinated loan capital is classified as a liability in the balance sheet and is measured at amortised cost. In on of the loans with a nominal value of NOK 350 million, we have repurchased NOK 208 million of nominal value, and it appears in the balance sheet as a netting of NOK 142 million.

SUBORDINATED LOAN MNOK 400

Name	Protector Forsikring ASA 17/47 FRN C SUB
Ticker	PROTCT03
Nominal value	MNOK 400
Interest rate	3-month NIBOR + 290 bp p.a.
Issue date	31.03.2017
Due date	31.03.2047
Callable	Yes

SUBORDINATED LOAN MNOK 350

Name	Protector Forsikring ASA 17/PERP FRN C HYBRID
Ticker	PROTCT04
ISIN	NO0010790066
Nominal value	MNOK 350
Interest rate	3-month NIBOR + 500 bp p.a.
Issue date	31.03.2017
Due date	Perpetual
Callable	Yes

SUBORDINATED LOAN MNOK 500

Name	Protector Forsikring ASA 20/50 FRN STEP C SUB
Ticker	PROTCT05
ISIN	NO0010914443
Nominal value	MNOK 500
Interest rate	3-month NIBOR + 350 bp p.a.
Issue date	16.12.2020
Due date	16.12.2050
Callable	Yes

SUBORDINATED LOAN MNOK 350

Name	Protector Forsikring ASA 21/PERP FRN C HYBRID
Ticker	
ISIN	NO0011170045
Nominal value	MNOK 350
Interest rate	3-month NIBOR + 475 bp p.a.
Issue date	14.12.2021
Due date	Perpetual
Callable	Yes

NOTE 26 CONTINGENT LIABILITIES

Protector has no contingent liabilities at 31.12.2021.

NOTE 27 DISCONTINUED OPERATIONS

Protector decided in 2018 to exit the COI market due to the product's recent years' weak technical performance, and due to the significant uncertainty related to the product's future premium development and profitability. After the decision to exit the COI market, COI is defined as "discontinued operations" in the accounts. Net profit and assets and liabilities associated with COI are presented on separate lines as discontinued operations.

Protector has entered into a 50% quota share agreement (reinsurance) covering all historical business written until 1 July 2020.

Premium income in 2021 is due to some continued agreements with real estate brokers. These agreements are terminated as from January 1st 2022 when the new Real Property Sale Act enters into force.

Income statement		
[1.000 NOK]	**2021**	**2020**
PREMIUM INCOME		
Gross premiums earned	188 736	240 370
Reinsurers' share of earned premiums	(18 822)	(71 494)
Earned premiums, net of reinsurance	169 914	168 876
CLAIMS		
Gross claims incurred	(202 182)	(226 229)
Reinsurers' share of claims incurred	47 456	76 109
Claims incurred, net of reinsurance	(154 726)	(150 121)
OPERATING EXPENSES	**1 239**	**3 209**
Other insurance related expenses	**(5 631)**	**(7 800)**
Technical result	**10 795**	**14 164**
Total net financial income	76 208	104 353
Other income/expenses	**(5 015)**	(7 118)
Non-technical result	**71 194**	**97 235**
Profit before tax	81 989	111 399
Tax	(14 569)	(17 055)
Profit from discontinued operations	**67 419**	**94 344**

Earnings per share discontinued operations		
[1.000 NOK]	2021	2020
Profit for the year assigned to the company’s shareholders	67 419	94 344
Weighted average number of shares	82 351 250	81 850 429
Earnings per share	0,82	1,15

Assets discontinued operations		
[1.000 NOK]	2021	2020
Intangible assets	4 128	4 241
Financial assets	1 141 891	1 451 730
Reinsurers' share of gross technical provisions	274 003	391 309
Receivables	24 133	30 128
Bank	3 892	18 337
Assets discontinued operations	1 448 049	1 895 744

Liabilities discontinued operations		
[1.000 NOK]	2021	2020
Provisions for claims	636 460	773 174
Liabilities related to reinsurance	197 324	338 395
Liabilities discontinued operations	833 784	1 111 569

DECLARATION BY THE MEMBERS OF THE BOARD AND THE CEO

We confirm, to the best of our knowledge, that the financial statements for the period 1st of January to 31st of December 2021 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity takes as a whole.

We also confirm that the Directors' Report includes a true and fair review of the development and performance of the business and the position of the entity, together with a description of the principal risks and uncertainties facing the entity.

Oslo, 10 March 2021
The Board of Directors of Protector Forsikring ASA
Translation - not to be signed

Jostein Sørvoll (Chairman)	Arve Ree (Deputy Chairman)	Else Bugge Fougner	Kjetil Garstad
Randi Helene Røed	Line Engelmann-Kokkim	Mathews Ambalathil	Henrik Golfetto Høye (CEO)

Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Protector Forsikring ASA

Opinion

We have audited the financial statements of Protector Forsikring ASA (the Company), which comprise the balance sheet as at 31 December 2021, the income statement, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 5 years from the election by the general meeting of the shareholders on 22.09.2017 for the accounting year 2017.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Provision for claims outstanding

Basis for the key audit matter
As at 31 December 2021, gross provision for

Our audit response
We identified, assessed and tested internal

claims outstanding of MNOK 8 404 were recognised in the accounts for continuing operations, and MNOK 636 for discontinued operations. Claims provisions are an estimate for future claims for events incurred, but not finally settled at the reporting date (IBNS). The balance comprises provisions for claims incurred and reported to the Company (RBNS), claims incurred, but not reported (IBNR) and an estimate for indirect unallocated loss adjustment expenses (ULAE). The use of a model, projection of claims history and determination of assumptions require management to exercise judgment. Claims provisions are sensitive for changes in assumptions and therefore a key audit matter.

control related to claims provisions. We reviewed the Company's processes and methods for calculating claims reserves across the insurance products, including the collection of the data basis for the calculations. Our audit included a comparison of models and assumptions applied by the Company in relation to industry standards and regulatory requirements. Based on the Company's data basis, we performed our own calculations of the reserves for a sample of the insurance segments with higher uncertainty and compared this with the Company's estimates. Notes 1 and 2 have details on principles and estimation uncertainty concerning claims provisions, and the claims provisions are specified in notes 3 and 6.

Reinsurance share of claims provisions

Basis for the key audit matter
The Company has a comprehensive reinsurance programme, and the reinsurance share of gross claims provisions as at 31 December 2021 constitutes MNOK 2 972 for continuing operations, and MNOK 274 for discontinued operations. Due to the extent and complexity of the reinsurance contracts, and the degree of judgment related to the determination of the reinsurance share of gross claims provisions, this was a key audit matter.

Our audit response
We reviewed reinsurance contracts for completeness and validity, and we assessed the Company's applied accounting principles related to various types of reinsurance contracts. We identified, evaluated and tested internal controls related to the accounting and measurement of reinsurance claims. We reviewed the recognition of the reinsurance share of gross provision for claims outstanding by considering reported claims against incurred claims and compared them with the terms in the reinsurance agreements. The Company's accounting principles and note 6 have details on the reinsurance share of gross claims.

Valuation of financial assets measured at fair value

Basis for the key audit matter
As at 31 December 2021, financial assets measured at fair value constitute MNOK 14 164, of which MNOK 11 558 are unlisted or less liquid financial instruments. Assets are measured at fair value on the basis of assumptions that are either directly or indirectly observable in the market. As unlisted or less liquid financial instruments are significant for the financial statements, and because of the degree of judgment involved, this was a key audit matter.

Our audit response
We assessed the design and tested internal controls related to the valuation process, including management's process for determining the assumptions. We reviewed the valuation of a sample of financial assets against external sources, including stock exchange prices, valuations obtained from independent external parties or other external information. Notes 4 and 9 have information on financial assets measured at fair value.

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Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by applicable legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Oslo, 10 March 2022
ERNST & YOUNG AS

Finn Espen Sellæg
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been prepared for information purposes only.)

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The company's principles for corporate governance shall contribute to the highest possible value creation for the shareholders over time, increased confidence in the company through an open corporate culture and a good reputation. The principles are set in accordance with the Norwegian Code of Practice for Corporate Governance.

STATEMENT OF CORPORATE GOVERNANCE

The statement is in accordance with section 3-3b of the Accounting Act and the Norwegian Code of Practice for Corporate Governance. Protector complies with the Code of Practice without significant deviations. The statement below describes how the company complies with the 15 sections of the Code of Practice.

BUSINESS

The articles of association describe the company's business and objectives. Protector's objective is to provide general insurance and has a license to operate within all classes except credit insurance and guarantee insurance.

The company's P&C business includes the Nordic countries and the United Kingdom. Priority market segments are the corporate market, the public sector, as well as the market for grouped insurance schemes. The insurances are sold through selected insurance brokers and agents.

The Board sets goals, strategies and risk profile in connection with the company's annual budget process. Evaluation of goals, strategies and risk profile is carried out in connection with the management's and the board's strategy work in May / June or when needed, for example in the event of significant events or structural changes.

The company's annual report gives a more detailed description of the company's objectives, business strategy and business.

The Board of Directors has prepared ethical guidelines and guidelines for social responsibility in accordance with the company's values and a sustainable value creation. The core of the company's guidelines for social responsibility is the company's responsibility for people, society and the environment that are affected by the business. The guidelines cover, among other things, human rights, anti-corruption, employee relations, discrimination, as well as environmental issues. This is described in more detail in the statement of social responsibility.

SOLVENCY CAPITAL AND DIVIDENDS

The company has continuous focus on ensuring that the solvency margin capital matches Protector's objectives, strategy and risk profile. The company will at all times seek to optimize its capital while at the same time maintain sufficient capital to satisfy the regulatory capital requirements, shareholders' confidence and flexibility for growth and development.

The company's goal is to maintain a solvency margin above 150 % (calculated according to Solvency II regulations).

Unless the need for capital dictates otherwise, it's the Board's intention to distribute 20 - 80% of the profit for the year after tax as an ordinary dividend. Final determination will be based on the company's result, capital requirements including satisfactory buffers and the necessary flexibility for growth and development in the company. Ordinary dividends will, as a general rule, only be paid at a solvency margin above 150%. With a solvency margin above 180%, the board's intention is to over time return surplus capital to the shareholders in the form of special dividends or repurchases of shares.

The Board prepares quarterly dividend assessments on the basis of the most recently approved annual accounts.

The Board of Directors is authorized to decide on the distribution of dividends. Such authorization is conditional on the company having a dividend capacity in accordance with the most recently approved annual accounts. An authorization for the Board to distribute dividends will give the company flexibility and mean that the company, based on dividend capacity in accordance with the most recently approved annual accounts, can distribute several dividends without having to convene an Extraordinary General Meeting. Within the framework that follows from the authorization and the Public Limited Liability Companies Act, the Board decides whether the authorization is to be used, whether it is to be used one or more times, the size of the individual dividend, etc. The authorization is valid until the Annual General Meeting in 2022, but no longer than until 30 June 2022. The Board will propose to the Annual General Meeting that the authorization is renewed.

The Board of Directors is authorized to repurchase up to 10% of the total number of shares in Protector Forsikring ASA. The authorization is valid until the next Annual General Meeting in 2022, however, so that it expires no later than

30 June 2022. The Board will propose to the Annual General Meeting that the authorization is renewed. At the end of 2021, the company had 128,031 own shares.

The Board of Directors is authorized to increase the share capital through new subscriptions for shares with a total of up to 10% of the share capital divided into up to 10% of the total outstanding shares, each with a nominal value of NOK 1. The authorization may be used for one or more share issues. The Board of Directors may decide to deviate from the pre-emptive right of shareholders to subscribe for shares pursuant to section 10-4 of the Public Limited Liability Companies Act. The Board of Directors may decide that payment for the shares shall be effected in assets other than cash, or the right to subject the company to special obligations pursuant to section 10-2 of the Public Limited Liability Companies Act. The authorization also applies to decisions to merge pursuant to section 13-5 of the Public Limited Liability Companies Act. This authorization is valid until the Annual General Meeting in 2022, however, no later than 30 June 2022. The Board will propose to the Annual General Meeting that the authorization is renewed.

The Board is authorized to raise subordinated loans and other debt limited to NOK 2,500 million and under the conditions stipulated by the Board. The authorization is valid until the Annual General Meeting 2022, however, no later than 30 June 2022. The Board will propose to the Annual General Meeting that the authorization is renewed.

According to the Norwegian Code of Corporate Governance, the authorization should be restricted to defined purposes. The Board wants a mandate that gives flexibility, thus the recommendation is not followed.

EQUAL TREATMENT OF SHAREHOLDERS

The company has only one class of shares and all shareholders are treated equally.

Existing shareholders have re-emption rights to subscribe for shares in the event of an increase in capital, unless the Board finds it expedient and in the interest of the shareholders to waive this right. If the Board proposes to the general meeting to waive this pre-emption right, then such a proposal must be fully justified. If the board of directors resolves to carry out an increase in share capital and waive the pre-emption rights of existing shareholders on the basis of a mandate granted to the board, the justification shall be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital. Any transactions carried out by the company in its own shares shall be carried out through the stock exchange whenever possible.

The company is listed on the Oslo Stock Exchange under the ticker PROT. The company has established rules for trading in the company's shares by primary insiders or close associates of any such parties (defined as transactions that involve shareholders, board members, executive managers or auditor and close associates of these). There are also insider rules for other employees in the company.

The company follows the principles for equal treatment that are laid down in the Norwegian Code of Practice for Corporate Governance.

FREELY NEGOTIABLE SHARES

There is no restriction on negotiability of the company's shares beyond the provisions of the Financial Institutions Act.

GENERAL MEETINGS

Protector holds its Annual General Meeting (AGM) no later than the end of June each year. All shareholders with a known address receive written notice of the AGM by post, sent out no later than 21 days before the AGM. The AGM can be held as a physical or electronic meeting. If a physical meeting is arranged, the shareholders have the right to participate electronically, unless the Board finds that there are objective reasons to refuse.

The notice calling the meeting and supporting papers are published on the company's website 21 days before the general meeting. All shareholders are entitled to attend general meetings, and arrangements are also made for proxy voting. The company should to the extent possible, prepare a form for the appointment of a proxy, which allows separate voting instructions to be given for each matter to be considered by the meeting and for each of the candidates nominated for election.

The Chairman of the Board and the Chief Executive Officer shall be present at the meeting. The external auditor shall be present in General Meetings if deemed necessary due to the nature of the matters being processed. The Chairman of the nomination committee shall be present in General Meetings when election and remuneration of board members are to be considered. An independent chairman shall be elected to conduct the meeting, the individual is not required to be a shareholder.

NOMINATION COMMITTEE

Protector's articles of association regulate the company's nomination committee, which has three members. The shareholders at the general meeting elect the members of the committee. The nomination committee is independent of the company's board of directors and management, and its composition aims to ensure broad representation of shareholder interests.

The nomination committee is responsible for proposing candidates to the board of directors and the nomination committee, and the remuneration of the members of these bodies. The committee must give reasons for their recommendations. The committee shall operate in accordance with the Norwegian Code of Practice for Corporate Governance.

THE BOARD OF DIRECTORS

According to the company's articles of association the board of directors shall consist of minimum 5 and maximum 9 directors including the number of deputy directors decided by the general meeting. The company's employees shall appoint at least 1 member and one deputy director.

If a director elected by the employees resigns from the company, the director shall resign from the board of directors. The directors of the board of directors and the deputy directors are elected for two – 2 – year terms. When retiring there will be a drawing of lots among those having served for an equal length of time.

The Chairman of the board and Deputy Chairman are elected for one year at a time.

The company's intention with the composition of the company's board is that the members are elected in light of an evaluation of the company's needs for expertise, capacity and balanced decisions, and with an intention to ensure that the board can perform independent of any special interests and that the board can function effectively as a collegiate body. Moreover, majority of the board members shall be independent of the company's executive management and material business contacts. At least two of the board members elected by shareholders shall be independent of the company's main shareholders.
The board of directors shall not include representatives of the company's executive management.

An assessment of independence shall take into consideration whether the board member; has been employed in the company, has share options in the company, has cross relations with other board members or general management, has close family links or otherwise has represented or represents material business relations with the company. Information about the individual board member's qualifications, capacity and independence are given in the report. Moreover, note 13 to the annual accounts states how many shares the individual shareholder owns in the company. Members of the board are encouraged to buy shares in the company.

The nomination committee's proposals for individuals as board members will be based on the above-mentioned guidelines.

In the company's opinion the current board of directors satisfies the requirements set by the Norwegian Code of Practice for Corporate Governance to the members' independence of the company's executive management and material business relations.

THE WORK OF THE BOARD OF DIRECTORS

The duties of the Board

In accordance with Norwegian law, the board of directors has the ultimate responsibility for the management at the company and for supervising its day-to-day management and activities in general. In addition to the mandatory requirements, the board of directors shall operate in accordance with the company's written instructions for the board. The instructions stipulate rules for administrative procedure, confidentiality, competency and responsibility for establishing a control system to ensure that the company is run in accordance with relevant laws and regulations. A deputy chairman shall be elected for the purpose of chairing the board in the event that the chairman cannot or should not lead the work of the board. In accordance with its instructions, the board of directors shall, to the extent it is necessary, agree to strategies, business plans and budgets for the company. In addition, the board shall ensure that the company has a good management with a clear internal allocation of responsibilities and duties. In this connection, a set of instructions has been prepared for the CEO.

The company is generally reserved about transactions by shareholders, board members, executive managers and their close associates. To avoid damaging the company's reputation, the Board believes it essential to be open and cautious about transactions that could be perceived as doubtful in terms of the closeness between the parties. The members of the board and management shall therefore give the board by the chairman written notification if they have significantly direct or indirect interests in transactions undertaken by the company. In the case of not insignificant transactions, the board shall ensure that there is a valuation from an independent third party. The conclusion of all agreements with related parties shall be considered by the board.

The board shall ensure that agreements with related parties are balanced and without a conflict of interest with the company.

Board members and senior executives are obliged to make the company aware of any significant interests they may have in matters that the Board of Directors is to handle.

A member of the board of directors may not participate in the discussion or decision of any matter which is of such particular importance to himself or any related party that he must be deemed to have a special and prominent personal or financial interest in the matter. This provision is similarly applicable to the CEO., cf. asal. § 6-27.

Each year, the board of directors agrees a concrete meeting and work plan for the following year. The plan includes strategy work, other relevant business problems and control work. Further information about the work of the board of directors is provided in the directors' report.

The Board conducts an annual evaluation of its activities and, on this basis, discusses improvements in the organization and implementation of board work.

Board Committees

In accordance with the law, the Board has established a compensation committee, an audit committee and a risk committee. The committees consist of 3-4 board members and are preparatory committees for the board and do not have decision-making authority.

The Compensation Committee assists the Board in all matters relating to the remuneration of the CEO. The committee shall propose guidelines for the determination of remuneration to the executive management and prepare proposals for the board's statement on the remuneration of the executive management, which are presented annually to the general meeting.

The members of the Compensation Committee are independent of the company's management.

The Audit Committee assists the Board by reviewing, assessing and possibly proposing measures in relation to the control environment, financial and operational reporting, risk management / control and external and internal audit.

The main task of the risk committee is to prepare matters within the risk area to be dealt with by the board, with special attention to risk appetite and risk strategy, including investment strategy. The committee shall contribute with decision support related to the board's discussion of the company's risk taking, financial forecasts and processing of risk reporting.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors has overall responsibility for ensuring that the company has established appropriate and effective processes for risk management and internal control. The Board shall ensure that the aforementioned processes are satisfactorily established, implemented and followed up. Through the establishment of the company's goals, strategies and risk appetite, the Board sets limits for the types and extent of risks the company can be exposed to. The Board of Directors shall at least annually ensure that significant risks are continuously identified, assessed and handled in a systematic manner, and that the risks are acceptable and within specified limits. The above is ensured through internal control and ORSA processes.

The Company's Audit and Risk Committee supports the Board in the exercise of its responsibility for the Company's overall risk management and control.

The CEO ensures that the company's risk management and internal control are carried out, documented, monitored and followed up in a proper manner. For this purpose, the CEO establishes instructions and guidelines for how the company's risk management and internal control should be implemented in practice, and establishes appropriate control functions and processes.

The CEO monitors changes in the company's risk exposure on an ongoing basis and informs the board of material changes. The CEO ensures that the company's risks are hedged or complied with in accordance with the Board's guidelines, and ensures that managers for all significant areas of business continuously monitor the implementation of the internal control.

All managers are responsible for ensuring that risk management and internal control within their own area of responsibility are satisfactory. This implies:

- at all times have an overview of significant risk factors within their own area of responsibility;
- to follow up on implementation and compliance with associated control measures,
- adapt overall risk management and internal control requirements to the nature, scope and complexity of the area, including addressing the need for detailed instructions or guidelines.

Managers should be able to substantiate that appropriate risk control is established and functioning. Managers for significant business areas conduct and document an annual risk assessment in accordance with the company's requirements, and follow up previous control measures.

The company has established central control functions, including risk management function, compliance function, actuarial function and internal audit function, which are independent of daily operations. The functions' responsibilities and duties, as well as requirements for independence and authority, are laid down in the board-approved policy documents and position instructions in line with the requirements of the Solvency II regulations.

Protector publishes four quarterly accounts in addition to ordinary annual accounts. The accounts must satisfy the requirements of laws and regulations and follow the adopted accounting principles. The accounts must be presented in accordance with deadlines set by the board. The company's accounts are prepared by the finance department which reports to the CFO.

The Board's audit committee carries out a preparatory review of the quarterly accounts and of the annual accounts, with special emphasis on discretionary assessments and estimates made, prior to board review.

Protector's internal control over financial reporting includes guidelines and procedures that ensure that the accounts are presented in accordance with the Accounting Act, regulations for annual accounts, etc. for insurance companies and good accounting practice and ensures a correct picture of the company's operations and financial position.

REMUNERATION OF THE BOARD OF DIRECTORS (including sub committees)

The annual general meeting determines the fees paid to the board of directors following a proposal from the nomination committee. The remuneration shall reflect the board's responsibility, expertise, time commitment and the complexity of the company's business.

The chairman of the board has a higher fee than other board members as a result of the larger responsibility and time consumption connected to his position. The board receives a fixed annual fee for its work, and has no share options. Details of the amounts paid to the individual board members are provided in the annual report. As a rule, members of the board, or companies to whom they are linked, shall not take on assignments beyond the work done by the board for the company. If they nevertheless take on such assignments, they must inform the entire board.

Substantial payments from the company over and above the fixed board fees shall be presented to the general meeting for approval. Information about the scope and costs linked to such work shall also be provided in that payments beyond the normal fee shall be specified separately in the annual report. The company does not give loans to members of the board of directors.

REMUNERATION OF EXECUTIVE PERSONNEL

The Board has established guidelines on the determination of salaries and other remuneration to senior executives. The guidelines are considered and approved by the General Meeting in the event of any significant change and at least every four years.

The remuneration scheme contributes to overlapping interests between shareholders and senior executives and is linked to value creation over time. The remuneration scheme is based on measurable conditions that the employee can influence. Performance-based remuneration are subject to an absolute limit.

The Board prepares an annual remuneration report with any deviation reporting in relation to the adopted guidelines. Guidelines and remuneration report are available at www.protectorforsikring.no.

Determination of salary and other remuneration for the CEO is made by the Board following a proposal from the Compensation Committee. Determination of salaries and other remuneration for other senior executives is determined by the CEO according to limits set by the board. Executive personnel are encouraged to own shares in the company.

INFORMATION AND COMMUNICATIONS

For the communication of financial and other price-sensitive information, the board of directors has based its policy on the requirements of the stock market regulations and provisions of the Acts relating to accounting and securities trading. In addition, Protector has a corporate culture based on openness, which means that all relevant information about the company's business activity will be published on the company's website, including annual and quarterly reports.

Annual and quarterly reports are also made available via the Oslo Stock Exchange's reporting system. The company also aims to provide open presentations in connection with the publishing of annual and quarterly reports.

The company has a financial calendar on its homepage and will provide the same information via the Oslo Stock Exchange's reporting system. This overview will contain the date for the annual general meeting as well as dates for the publishing of quarterly reports.

With the presentation of company information for individual shareholders or other interested parties, only publicly available information are presented.

TAKE-OVERS

In the event of a take-over bid for the company, the board of directors shall evaluate the situation thoroughly and with consideration for the rules relating to equal treatment of all shareholders. The board shall gather all relevant information, including the views of the employees, in order to undertake the best possible assessment of such an event. The board will thereafter give the individual shareholders the best possible advice with underlying information that ensures that each individual shareholder is able to take a position on an eventual bid. The board's statement on the offer shall make it clear whether the views expressed are unanimous, and if this is not the case it shall explain the basis on which specific members of the board have excluded themselves from the board's statement. The board shall arrange a valuation from an independent expert. The valuation shall include an explanation, and shall be made public no later than at the time of the public disclosure of the board's statement.

The board of directors will not seek to hinder or obstruct takeover bids for the company's activities or shares unless there are particular reasons for this.

Any transaction that is in effect a disposal of the company's activities shall be decided by a general meeting.
The company has no clauses that can exclude it from the restrictions under the Securities Trading Act § 6-17 concerning "Restriction of the offeree company's freedom of action" in a take-over process. Nor has the general meeting given the board of directors or CEO any special authority for use in such situations.

AUDITOR

The auditor shall submit the main features of the plan for the audit of the company to the Board of Directors Audit Committee annually.

The auditor shall take part in meetings with the board of directors that deal with the annual accounts. At these meetings, the auditor shall review any material changes in the company's accounting principles, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the executive management of the company.

The board of directors will meet the auditor at least once a year to go through a report on the auditor's views on areas of risk, internal control routines, etc. The board shall arrange an annual meeting with the auditor that excludes the executive management.

Significant services beyond the statutory audit must be pre-approved by the Board.

Information about the auditor's fees for a mandatory audit and other payments shall be presented in the annual report.

SOCIAL RESPONSIBILITY

Social responsibility - sustainable development
Protector's most important contribution to society is securing life, values and relieving our customers of economic risk. The company's social responsibility is, among other things, to safeguard human rights, labour standards, the environment and anti-corruption.

Investors and other stakeholders place increasing emphasis on factors related to the environment, social conditions and governance (ESG factors) in the risk assessment of the company. To support the company's growth ambition, meet market expectations and reduce own, customers' and investors' risks, sustainability related activities need to be tightly integrated into the company's business strategy.

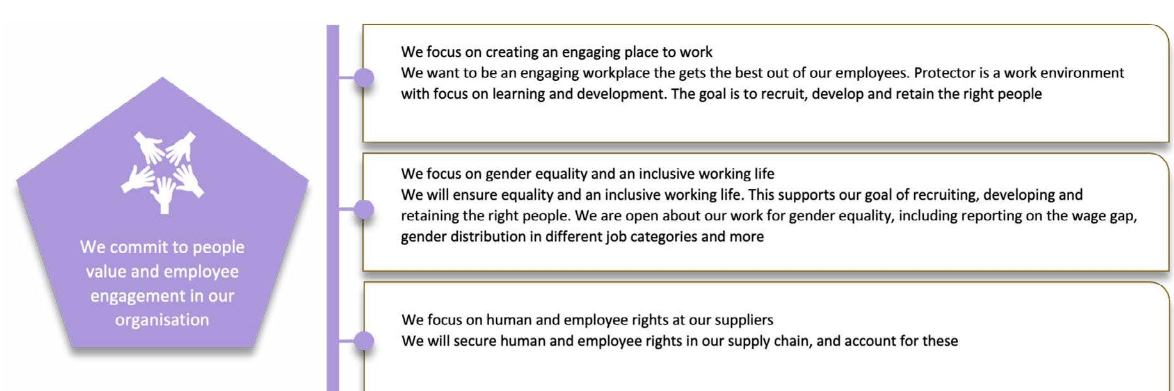
The company shall be a responsible, trusted and credible ESG actor who creates value in a sustainable way.

Based on a materiality analysis, the company's sustainability work is divided into four (4) focus areas: People, climate-efficient solutions, climate resilience and responsible business practices. The company has prepared a roadmap for sustainability work in the mentioned areas through 2025.

2022 will be the baseline for most areas we have chosen to focus on , where the current situation is mapped and specific sustainability goals are set.

Protector's ambition is to report in accordance with the reporting standard Task Force on Climate-Related Financial Disclosures (TCFD), which also works to meet future requirements in the EU's taxonomy for sustainable activities.

The company's sustainability strategy is mainly based on the following six (6) UN sustainability goals:



PEOPLE

At the end of 2021, the company had 411 permanent employees. Of the company's 411 employees, 155 are employed in Norway, 90 are employed in Sweden, 51 are employed in Denmark, 93 are employed in the UK and 22 are employed in Finland.

Absence due to illness in Protector in 2021 was 2.9% against 1.9% in 2020. No accidents at work or occupational injuries occurred during 2021.

Protector, in line with society in general, has increased cultural diversity. The company shall be an attractive workplace and strive for equal treatment and equal opportunities in all internal and external recruitment and development processes. As an employer, Protector is concerned with promoting gender equality and counteracting discrimination.

An engaging place to work

Protector is a knowledge company, and our employees are our most important resource. Protector must be an attractive employer where employees thrive and have good development opportunities.

The company uses a number of measures to develop committed and competent employees. The measures are categorized as experiential learning, social learning and formal learning. To manage this development, each employee has quarterly performance and development interviews.

Experiential learning is the company's most important measure for developing employees. The company is conscious to give the right goals and tasks to the right employees, so that they develop through their day-to-day work. We provide a lot of responsibility and visibility - regardless of seniority. At the same time, we believe that one must perform together to achieve results. We therefore focus on highlighting teams, and not just individuals. Protector believes that the total of a strong team is greater than the sum of its individuals.

Furthermore, the company invests significantly in formal learning. In 2021, a solid foundation was built for the company's learning portal - Protector's "Knowledge Hub". This hub currently contains approximately 600 modules, of which over 200 were created in 2021. The employees are also offered a range of external courses that provide certification and professional development. Many of the offers satisfy requirements from the insurance industry and the EU.

All new employees participate in our joint onboarding program. This strengthens the connection to Protector, our culture and our One Team philosophy.

To develop new and experienced leaders, we have three leadership development programs. Most professional communities in Protector have weekly experience exchange and feedback sessions. In these, for example, the most challenging issues one works with are discussed. This is an important means of achieving social learning. Protector has a working environment committee that works for a sound working environment in the company. In addition, the personnel handbook is continuously revised to better shed light on and document the employees' rights and duties.

As an indicator of whether we are an engaging place to work, all employees are invited to participate in semi-annual employee satisfaction surveys. We see, for the period we have comparable data, a positive development. The score in the autumn of 2021 was 75.8 against 74.2 in the spring of 2021 and 72.9 in the autumn of 2020. The overall score is at a good level, but we see that there is still potential for improvement in some departments.

Equality and diversity

All employees must feel job satisfaction, commitment and security and have the same rights, duties and opportunities regardless of gender, gender identity or gender expression, age, sexual orientation, disability, ethnicity, religion or other belief. The work with gender equality and diversity shall be conducted in a targeted manner and in collaboration with our employees. Everyone in the company, regardless of position, has a responsibility to accept each other's differences and respect the dignity that everyone has the right to in their workplace.

The company believes that diversity and inclusion are important for several reasons. For the company culture, to attract and retain good people, for innovation, problem solving and to better serve a diversity of partners and customers.

As part of the company's diversity work, the company has committed itself to improving the gender balance by signing the "Women in the Finance Charter", which aims to increase the proportion of women in leading positions in the financial industry in Norway. Protector has expanded its ambition to include all countries in which the company operates.

KVINNER I FINANS CHARTER

Status as of 31.12.2021

Job level	Gender balance				Remuneration	
	Number of women	Antall menn	Share women	Total	Differences in total remuneration (%)	Differences in annual salary (%)
Board	3	4	43 %	7	73,7%	
Protector Insurance	181	230	44 %	411	62,0%	74,0%
Top management	-	9	0 %	9	0,0%	0,0%
Middle management	13	29	31 %	42	104,7%	100,3%
Team management	20	27	43 %	47	74,3%	80,3%
Employees without managerial responsibilities	148	165	47 %	313	85,7%	86,4%
Norway	67	88	43 %	155	57,5%	70,3%
Top management	-	5	0 %	5	0,0%	0,0%
Middle management	4	12	25 %	16	122,9%	109,9%
Team management	12	17	41 %	29	64,9%	70,6%
Employees without managerial responsibilities	51	54	49 %	105	86,4%	87,2%
Sweden	41	49	46 %	90	51,5%	75,8%
Top management	-	2	0 %	2	0,0%	0,0%
Middle management	4	3	57 %	7	80,0%	87,5%
Team management	3	3	50 %	6	50,3%	60,3%
Employees without managerial responsibilities	34	41	45 %	75	93,1%	92,0%
Denmark	20	31	39 %	51	86,9%	88,4%
Top management	-	1	0 %	1	0,0%	0,0%
Middle management	3	7	30 %	10	103,0%	104,7%
Team management	-	-	0 %	0	0,0%	0,0%
Employees without managerial responsibilities	17	23	43 %	40	94,2%	96,0%
UK	38	55	41 %	93	81,3%	81,0%
Top management	-	1	0 %	1	0,0%	0,0%
Middle management	1	4	20 %	5	175,3%	142,9%
Team management	5	7	42 %	12	152,6%	149,9%
Employees without managerial responsibilities	32	43	43 %	75	76,9%	77,3%
Finland	15	7	68 %	22	65,0%	67,3%
Top management	-	-	0 %	0	0,0%	0,0%
Middle management	1	3	25 %	4	82,1%	86,9%
Team management	-	-	0 %	0	0,0%	0,0%
Employees without managerial responsibilities	14	4	78 %	18	86,1%	87,7%

Gender balance		Temporary employment		Part-time employment Part-time employment		Involuntary part-time work	
Number of women	Number of men	Temporarily employed women	Temporarily employed men	Part-time women	Part-time men	Involuntary part-time women	Involuntary part-time men
213	273	16,9 %	16,1 %	3,3 %	2,2 %	0,0 %	0,0 %

The figures for temporary employees include summer substitutes, part-time employees and students in addition to temporary positions. As of 31.12.2021, only four women and one man were in temporary full-time positions. There were no employees in involuntary part-time positions in the company in 2021.

Parental leave		
	Women's parental leave*	Men's parental leave*
Protector Insurance	**21,0**	**6,2**
Norway	19,7	6,7
Sweden	24,0	7,9
Denmark	23,8	4,8
UK	13,3	2,0
Finland	31,5	0,6

*Average number of week

Job level	Age distribution		
	Proportion of employees under 30 years	Proportion of employees between 30 and 50 years	Proportion of employees over 50 years
Board	**0,0 %**	**42,9 %**	**57,1 %**
Protector Insurance	**32,4 %**	**56,0 %**	**11,7 %**
Top management	0,0 %	66,7 %	33,3 %
Middle management	11,9 %	83,3 %	4,8 %
Team management	12,8 %	78,7 %	8,5 %
Employees without managerial responsibility	39,0 %	48,6 %	12,5 %
Norway	**29,0 %**	**58,7 %**	**12,3 %**
Top management	0,0 %	60,0 %	40,0 %
Middle management	12,5 %	81,3 %	6,3 %
Team management	6,9 %	82,8 %	10,3 %
Employees without managerial responsibilities	39,0 %	48,6 %	12,4 %
Sweden	**40,0 %**	**50,0 %**	**10,0 %**
Top management	0,0 %	100,0 %	0,0 %
Middle management	28,6 %	71,4 %	0,0 %
Team management	16,7 %	83,3 %	0,0 %
Employees without managerial responsibility	44,0 %	44,0 %	12,0 %

Denmark	**21,6 %**	**68,6 %**	**9,8 %**
Top management	0,0 %	100,0 %	0,0 %
Middle management	10,0 %	90,0 %	0,0 %
Team management	0,0 %	0,0 %	0,0 %
Employees without managerial responsibility	25,0 %	62,5 %	12,5 %
UK	**37,6 %**	**49,5 %**	**12,9 %**
Top management	0,0 %	0,0 %	100,0 %
Middle management	0,0 %	80,0 %	20,0 %
Team management	25,0 %	66,7 %	8,3 %
Employees without managerial responsibility	42,7 %	45,3 %	12,0 %
Finland	**27,3 %**	**59,1 %**	**13,6 %**
Top management	0,0 %	0,0 %	0,0 %
Middle management	0,0 %	100,0 %	0,0 %
Team management	0,0 %	0,0 %	0,0 %
Employees without managerial responsibility	33,3 %	50,0 %	16,7 %

The work on equality and diversity

Protector has structured the work of ensuring equality and non-discrimination by establishing an Equality Committee. This committee meets quarterly or as needed and consists of HR representatives from all the countries in which we operate, safety representatives, a representative from AMU and employee representatives from the board. The committee ensures the work of promoting gender equality and preventing discrimination using the four-step model which consists of examining obstacles to gender equality, analysing causes, identifying and implementing measures and then evaluating the results.

The company places emphasis on having good notification routines so that situations that are perceived as discriminatory or harassment are easy to report, and that this notification is taken seriously. Routines for reporting objectionable conditions are included in our digital handbooks. These are easily accessible to all employees. Our ethical guidelines include basic principles for how Protector should act as an inclusive employer and what is expected of its employees with regard to behaviour and working environment.

In order to investigate the risk of discrimination and obstacles to gender equality, the Equality Committee, in collaboration with the management groups, has looked more closely at and discussed what the biggest obstacles to achieving greater equality and diversity are, and what we can do to overcome these in recruitment, pay and working conditions, promotion, development opportunities, facilitation or the opportunity to combine work and family life.

Through the work of mapping risks of discrimination and preventing gender equality, we found a risk that we formulate our corporate culture in a way that can attract men to a greater extent than women. The work of recruiting or developing female leaders in top management has been challenging. This shows a risk of discrimination, and we must ensure that we do not have discriminatory elements in our recruitment or development processes.

Protector is to work actively to ensure that there is an even gender distribution in the company. Nevertheless, we have identified that in several recruitment processes there is a predominance of male applicants, and that the design of our job advertisements may appeal more to a specific gender.

We also see that lack of resources, knowledge and focus on the area can be a risk. No one in the company has had equality and diversity as an area of responsibility. Equality and diversity are complex areas and require resources and good knowledge to ensure that they are continuously evaluated and developed.

The Equality Committee and top management have jointly looked at possible reasons for the identified risks and obstacles. Although we have guidelines and principles against harassment and discrimination, these are rarely focused on. This means that few know about the guidelines and principles, and actively work with them in everyday work. We have concluded that little focus and awareness around equality and diversity is the main reason for the identified risks and obstacles.

For the year 2021, we have had a special focus on documenting risks and obstacles, as well as planning measures and objectives. We have spent time planning and delegating various measures that we will implement in the coming year to promote gender equality and prevent discrimination.

Equality and diversity going forward

To ensure a professional recruitment process that targets both genders, we have put in place various measures:

- We want first and foremost that all our recruiting managers go through an internet-based course where they get an introduction to how to ensure equality and diversity in the entire recruitment process, as well as psychological traps that can arise in interviews.
- We also see that there is a need to professionalise our job advertisements, as we have a predominance of male applicants in several areas. We will therefore take a closer look at the wording of the job advertisements in order to increase the proportion of female applicants.

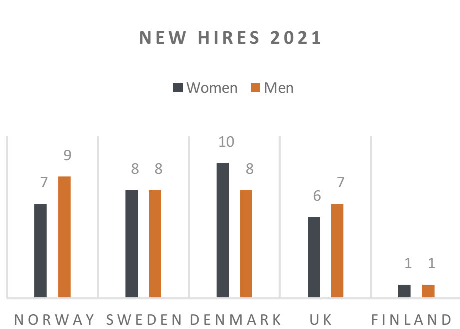
We want to work to create awareness and anchor equality and diversity in our culture and have therefore implemented various measures:

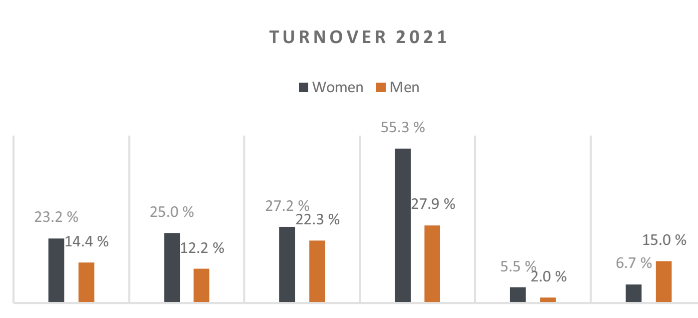
- We will design an internet-based learning module on "Equality and Diversity" that all employees in the organization must complete.
- We will prepare an "Equality and Diversity" policy, which all employees must read through and sign as part of our onboarding process.
- We will perform number analysis at salary and bonus levels and implement measures to avoid biases
- We will communicate our ambitions internally and externally
- We will strive for both genders to be represented in all recruitment processes and in the final phases
- We will include diversity / gender equality in employee surveys
- We will include diversity / equality in management training and in our values
- We will make leaders aware of homosocial reproduction (about conscious or unconscious favouritism of their own group), double standards (different assessment despite the same background and the same characteristics) and «double binds» (same requirements, but different conditions)

We want to facilitate the opportunity to combine work and family life by using a hybrid solution, so that employees can combine being physically in the office with a home office.

In 2021, we have focused on structuring the work, documenting risks and obstacles, planning measures and objectives. We have not worked on any specific measures in 2021, and therefore have no concrete results to show so far. In the coming year, we will work with several measures that we believe can have a great impact on our work to promote gender equality and prevent discrimination.

We want to take with us all the lessons, actively test and develop our measures and goals in order to create a work environment where there is room for everyone.





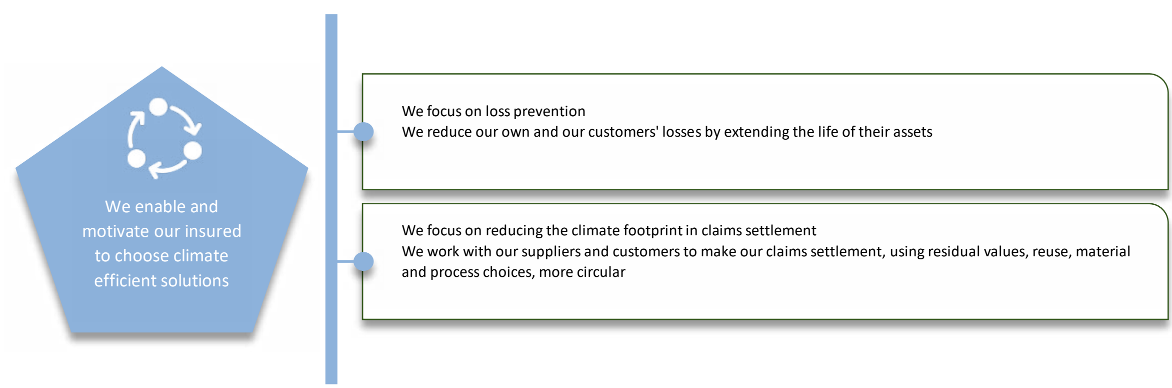
Human and labour rights at our suppliers

Protector's fundamental guideline is respect for an individual. Everyone shall be treated with dignity and respect, without discrimination on the grounds of ethnicity, nationality, religion, age, gender, disability, or sexual orientation. Children shall not be used as labor and forced labor shall not occur. All new employees receive training on this as part of Protector's onboarding process.

The company seeks to know its suppliers and shall avoid using suppliers who do not satisfy the company's core values or ethical guidelines. We require that our suppliers comply with applicable regulatory environment and industry standards. In 2022 we are establishing a company-wide claims procurement unit and expect subsequent annual reports to go more in-depth on how we work with our suppliers.

In 2022, Protector will carry out due diligence assessments in line with the OECD's guidelines for multinational companies. This will increase responsibility and prevent negative impact on the environment from one's own business. The assessments are comprehensive and involve investigations of conditions for employees, human rights, environmental impact, bribery and corruption and corporate governance. These requirements follow from the Transparency Act which will be introduced in Norway in July 2022.

CLIMATE EFFICIENT SOLUTIONS



Claims prevention measures

The most effective climate measure for a non-life insurance company is to prevent damage from occurring. Loss prevention is central to Protector and our commitment to climate efficiency. We invest heavily in this area. We conduct inspections before giving prospective customers a quote, we inspect current customers and undertake post-loss investigations to help reduce the likelihood of repeat losses. Customers receive case-specific bespoke risk management proposals to address any concerns identified.
Fire prevention has significant social, environmental and climate benefits. This is consequently a focus area for us in the property segment, and we work closely with our customers to implement cost-effective fire prevention solutions.

There are two chief reasons why we focus on loss prevention:

- Avoid customers with a poor attitude to risk
    - Poor attitude to risk is revealed through a high number of persistent and critical deviations, for example related to combustible building materials
    - These customers will receive an offer from us that is not competitive. Furthermore, they will receive an explanation as to why we set the premium high
    - We follow up if they improve within the next tender, and they receive a competitive offer from us if the critical deviations are closed.

- Assist our customers in closing deviations, and thus avoid or reduce the consequences of undesirable events
    - We issue deviation reports to customers who have insurance with us
    - These reports include photos and descriptions of deviations associated with the customer's properties, information on why it is important to close the individual deviations and potential consequences should an adverse event occur.
    - We follow up these reports on renewals and perform audits of assets with critical deviations

For 2021, we have the following statistics on property related inspections in the Nordics:

Country	Customers inspected	Buildings inspected	Buildings with deviation	Share of buildings with deviations
DK	14	286	246	86%
NO	82	375	214	57%
SE	75	747	420	56%
Totalt	171	1408	880	63%

Statistics related to our work on injury prevention in the UK for 2021:

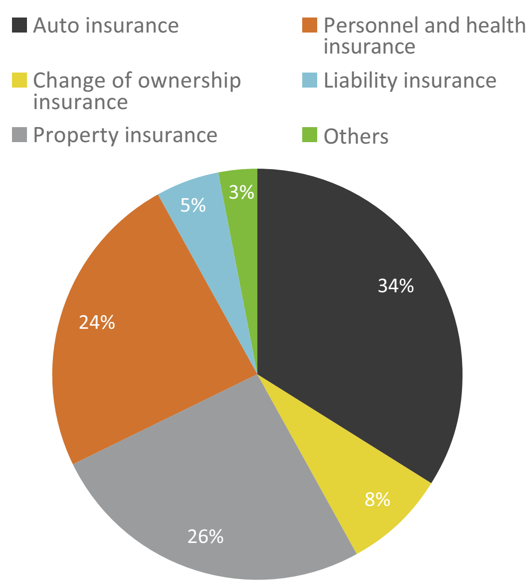
- Produced 37 guidance documents, enabling managers to improve their procedures to reduce the likelihood of property damage or injury
- Delivered over 36 bespoke training courses with a goal of educating clients' managers, giving them the knowledge and tools to reduce damage or injury
- 369 client meetings undertaken, with a purpose of evaluating risk, identifying how to improve clients' safety and management procedures, issuing reports with recommendations or requirements

In 2022, we will expand the aforementioned deviation approach to new segments. The largest investment we make in loss prevention in the coming year will be in data quality. We develop systems that give us better and more accurate exposure and damage data. This allows us to earlier capture trends in the claims picture both overall and for individual customers, and we can then more quickly implement targeted damage prevention measures. Together with our customers we will constantly improve loss prevention.

Reduced climate footprint in claims settlement

Protector handles over 141 000 claims annually. How these claims are setteled is one of our biggest opportunities in both sustainability and cost savings. These are opportunities we must seize, and we must constantly reduce the climate footprint in our settlements.

CLAIMS SETTLEMENT PORTFOLIO, BROKEN DOWN BY VALUE, FOR 2021



We have identified the greatest potential reduction in our climate footprint in property and auto, and this is where we will have the greatest focus for our further work on sustainability.

In these segments, we work closely with our suppliers and customers to increase the proportion of repair, reuse and recycling in claims settlement, as well as increase the use of climate-friendly materials and processes. We evaluate any damage with the aim of identifying residual values and potential climate measures. We influence industry standards to allow for more repairs and reuse. This provides financial gain both for the insured and for Protector. In addition, in those cases where it is difficult to sell damaged but usable items, we donate those to charity.

Within property, approx. 80% of our claims are greater than NOK 1 million. These are primarily related to buildings. The way we handle these claims are of great importance. We therefore use independent and skilled claims appraisers.

These are used not only for the appraisal itself, but also to follow up that repairs and reconstruction are carried out in accordance with current requirements, including requirements related to climate and HSE.

In auto, Protector has recommended workshops for each geographical area. These workshops can document satisfactory operation in accordance with current requirements as well as quality standards Protector requires. A such requirement is that used parts must be used where possible, and for cars older than five years, equivalent used parts must in principle be used. Furthermore, we advocate the use of independent workshops. This is because these earn relatively more on repairs than replacement of parts. To ensure significant volume for our recommended workshops, we have limited the number of workshops in each area.

However, we have not documented the effect of our efforts to reduce the climate footprint in claims settlement and have consequently not set specific targets for our further efforts. In 2022, we will establish a baseline for this work, and then set targets for further efforts. The following are among the topics we will establish a baseline and goals for during 2022:

- The proportion of our suppliers that offer preservation of residual values and reuse
- The proportion of our geographical areas where we have an agreement with at least one independent workshop
- Proportion of claims where we have made climate measures
    - Preservation of residual values (repair rather than replacement)
    - Reuse (quality assured used parts purchased from third parties)
    - Climate-efficient repair processes
    - Reconstruction to a higher climate standard
- Financial results of the climate measures

In the long term, we also want to quantify how the climate measures affect the climate footprint, including Co2.

CLIMATE RESILIENCE

Routines and processes for managing climate risk

We recognize that unwanted weather-related events may become more frequent and more severe. Proper assessment of climate risk is important to understand what risk our potential customers are exposed to, and what risk is transferred to Protector through our insurance.

Our general exposure to climate risk, through having only customers in the Nordic countries and the United Kingdom, is relatively limited. Furthermore, the assets Protector insures are largely of the type that are more resistant to extreme weather, such as larger office or municipal buildings in areas close to the city centre.

Protector's underwriting is based on analysis, data, modern tools, on-site inspections and loss prevention. Our tools and methods take climate risk into account, for example by assessing the risk of storms and floods. In more vulnerable areas, such as the UK, we use a comprehensive 8-step process to carefully understand and manage the current climate risk. Through this process, we will get a correct picture of relevant climate risk and avoid the biggest risks.

We evaluate our portfolio's climate risk on a quarterly basis and take this into account through reinsurance. We use recognized tools and methods such as AIR and RMS in our climate risk evaluation. Our reinsurance now covers an estimated 1-in-10,000-year event. In line with Protector's reinsurance policy, our maximum deductible exposure is DKK 100 million, regardless of the type of event that occurs.

Risk assessments related to climate change are part of the company's risk management system. Assessments of potential risk factors and impact on Protector's operations are carried out on the basis of publications from the Intergovernmental Panel on Climate Change (IPCC). This includes analysis of climate change, future scenarios, assessments of risk factors and potential impacts related to climate and climate change conducted by the Task Force on Climate-Related Financial Disclosures (TCFD), the United Nations Environment Program (UNEP) Finance Initiative and EIOPA. A more detailed description of the company's risk assessments related to climate change can be found in the company's Report on Solvency and Financial Position 2021.

Our goal going forward is to continue our profitable growth. To support this goal, we will continually improve our underwriting - including related tools. We are considering further investing in external tools to provide additional benchmarks for said process. Through participation in the "Industry Board risk and damage", the board of the Norwegian Natural Perils Pool and close cooperation with our reinsurance broker, we have broad access to market trends, data, advice and knowledge that is relevant for managing climate risk.

Climate resilience in product development and pricing

A changing climate affects which terms and pricing are right for our products. We are already seeing changes to what perils exist; causes of damage such as hailstorms and forest fires are more prominent now than before.

Protector has an annual review of which products and associated terms are to be offered to the market. This is based, among other things, on input from our reinsurance broker, customers, industry organizations and our own claims data. The result is that we develop insurance products that take climate risk into account, incentivize our customers to implement climate resilience measures and provide financial protection in the face of climate change.

Underwriting of climate-related perils will be covered by future taxonomy regulations. Subsequent reports will detail whether these activities meet the criteria to be defined as sustainable.

The goal in product development and pricing is to increasingly understand how climate change affects which products are right, and how these should be priced. This enables us to offer the products the market needs and ensures us continued profitable growth.

RESPONSIBLE BUSINESS BEHAVIOUR

Our own operations

We shall be a positive contributor to the society we are part of, support a great corporate culture and avoid fines and penalties.

Protector is a non-life insurance company and operates within a business area where the risk of corruption and money laundering is low. In 2021, we performed a corruption risk analysis for the entire business. Parts of our business are more exposed to corruption than others, and the development of tailor-made anti-corruption measures has been implemented. No confirmed cases of corruption have been identified.

Protector's ethical guidelines state that the company has zero tolerance for corruption. The company has guidelines for gifts and representation, and employees of Protector shall not, on behalf of the company work with cases where they have personal interests, or where it may be perceived by others that they have such interests.

Protector is required to have a risk-based approach to money laundering and terrorist financing to customers based on customer relationships, type of products and type of transactions. The company carries out a risk assessment in connection with the sale of insurance to new and existing customers - and in the case of claims payments. The risk assessment is comprehensive, and is based on characteristics of the customer, the customer relationship, the product, the transaction, and other relevant factors. In insurance, money laundering will often take place in connection with claims payments. The fight against money laundering takes place by particularly monitoring conditions where we consider the risk of money laundering to be high, and in the event of any suspicion, report the matter to the relevant authority.

The company's guidelines for anti-money laundering and terrorist financing have been adopted by the board. All employees in the company must complete a mandatory e-learning course on anti-money laundering and anti-terrorist financing. All new employees receive anti-corruption training as part of our onboarding.

Protector processes personal data in accordance with the laws and regulations that regulate the collection, storage and use of such data. Company policy and guidelines for the processing of personal data provide additional requirements for implementation throughout the organization. Privacy and information security are essential factors in securing the rights of the individual. Protector's privacy representative works closely with the business areas and IT to meet the requirements of the regulation for everyone's security. The company has a well-functioning deviation registration system to register and handle any breaches of personal data security for both customers and employees.

All employees must complete e-learning where they must confirm that they have read and understood the company's guidelines for the processing of personal data.

Partners

We require our suppliers to comply with current regulatory requirements and industry standards. In 2022, we will establish a company-wide purchasing unit, and we expect subsequent annual reports to go into more depth on how we work with our suppliers. Among other things, we will introduce a reporting structure where suppliers must actively answer whether they comply with defined guidelines, standards and requirements.

Responsible investments

Protector seeks to achieve the best possible combination of risk and return at the same time as the investments are made in a responsible manner. We expect increased requirements, regulations and higher costs for activities that have a negative impact on the outside world. This view is reflected in our approach to investment.

Protector shall not invest in companies that are responsible for, or contribute to serious or systematic violations of human rights, that have a major negative impact on the environment or are involved in corruption.

Protector has a "bottom-up" analysis approach where company-specific factors such as competitive position and valuation are most important. Factors related to ESG are included in the investment decisions but are not the starting point for which companies are assessed.

To ensure that the investment universe contains companies that meet generally accepted ethical guidelines, Norges Bank's exclusion list is consulted. Historically, there have been no investments that overlap with this exclusion list.

The Investment Director has overall responsibility for the implementation of ESG in the investment processes in Protector. Analysts and portfolio managers are responsible on a day-to-day basis for implementing assessment of ESG factors in company analysis and investment strategies.

Protector is often a major shareholder or lender. This gives us opportunities to exercise our ownership. As a starting point, we will not invest in companies that have a history of poor corporate governance. In portfolio companies, we work to ensure that the companies have a good board. We contribute to this by participating in nomination committees where possible.

Active ownership is based on an assessment of how it can have the greatest effect. In some cases, it may be better to retain an ownership position and exert influence over selling out.

Other examples of the exercise of ownership:

- Voting and proposals towards general assemblies
- Dialogue with the board and management
- Promote best practices from other companies in the same industry
- Review and change input to bond terms for bonds

Protector also seeks to collaborate with other investors to influence companies in matters related to corporate governance and sustainability.

In 2021, Protector has been represented in the nomination committees of several of the companies that were then in our portfolio; eWork, Projektengagemang, Multiconsult and B3. In several of the portfolio companies, we have been active in changing the composition of the board to increase competence and value creation.

Protector will keep its focus on being a responsible investor. We are a sparring partner and part of an initiative from Stamdata for a new reporting service on ESG factors. The goal is to improve the quality of data on bond issuers' ESG profile and the service has plans for launch in 2022. The service will improve the quality of data on ESG factors and can influence investment decisions.

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