ANNUAL REPORT

2022

PROTECTOR
forsikring

CONTENTS

HIGHLIGHTS
2022

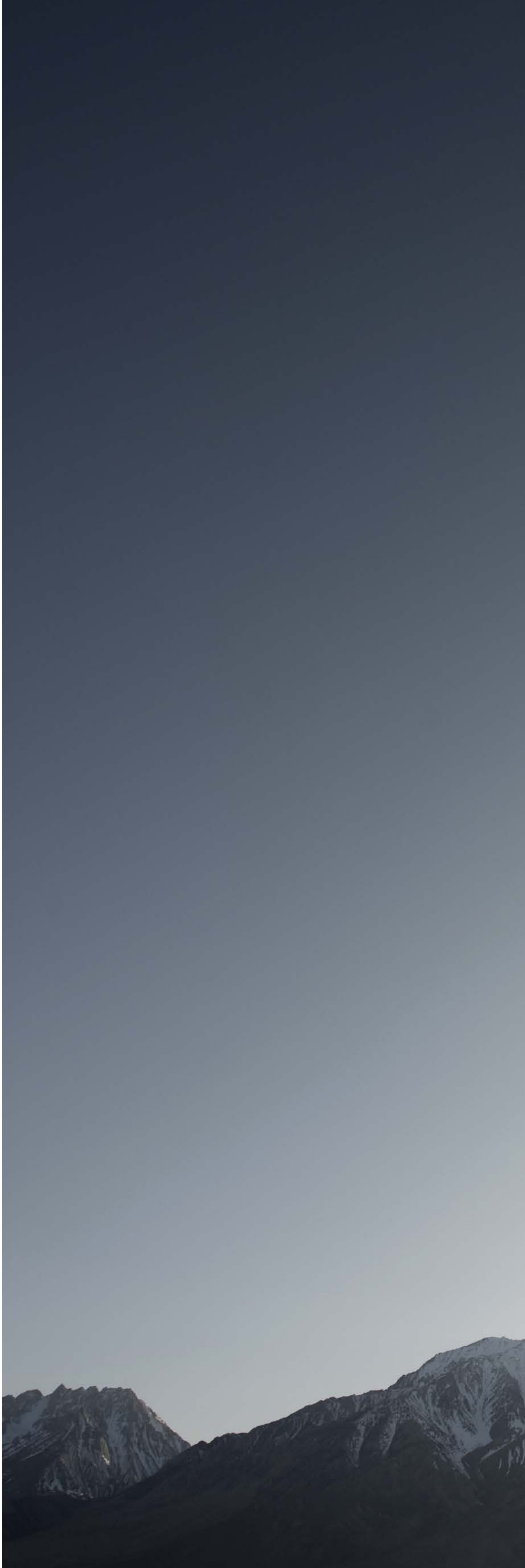
In 2022, total premiums amounted to NOK 7,097.8 million against NOK 5,950.6 million in 2021, representing 19 % growth (21 % in local currencies). The growth in the Nordics was 15 %, while growth in the UK was 31 %.

The technical result was NOK 599.6 million against NOK 594.4 million in 2021, corresponding to a net combined ratio of 88.9 % against 87.3 % in 2021. The technical result is driven by strong results in Norway, Sweden and UK, but Denmark and Finland are also contributing.

The claims ratio for own account was 79.3 %, up from 77.4 % in 2021. The large loss ratio was somewhat lower than normal. The Covid-19 pandemic had no measurable impact in 2022. The company had run-off gains of 2.3 % for the year against 0.3 % in run-off-losses in 2021.

The return on the investment portfolio was 3.4 %, against a return of 6.8 % in 2021. At the end of 2022, 17.9 % of Protector's financial assets were invested in equities, against 15.1 % year-end 2021.

Profit for the year was NOK 809.5 million, compared to NOK 1,204.0 million in 2021.



THIS IS PROTECTOR

We are the challenger. And we demonstrate this through unique relationships, excellent decision making and cost effective solutions. Our most important promise to the market is that we are easy to do business with, commercially attractive and trustworthy.

Protector started underwriting insurance in 2004 and has been listed on the Oslo Stock Exchange since 2007. The company entered the Swedish insurance market in 2011, the Danish in 2012 and the Finnish and British in 2016. The geographical distribution of premium income was at the end of 2022: UK: 30 %, Sweden 29 %, Norway 23 %, Denmark 15 % and Finland 3 %.

The company has grown rapidly since its inception, and has over 436 permanent employees today, with offices in Stockholm, Copenhagen, Helsinki, London, Manchester and Oslo. The company's operations in foreign markets follow the same business model as in Norway and are well received by insurance brokers.

Protector aims for further profitable growth. This will be achieved by offering the lowest costs and the best quality of our services. The company's main goals are: Cost and quality leadership, profitable growth and top 3 in selected segments. Our long-term financial objectives are:

- Combined ratio for own account: 90-92 %
- Return on equity: > 20 %
- Solvency margin: > 150 %

DISTRIBUTION STRATEGY

Protector has a distinct distribution strategy. All business is conducted through our selected brokers. Protector has a broad and good collaboration with these brokers and a significant proportion the portfolio is channeled through the largest brokerage houses in the Nordics and Great Britain.

Our promise to insurance brokers and customers is that we will be easy to do business with, commercially attractive and trustworthy. Protector has defined service standards and both brokers and customers are offered service level agreements (SLA). All processes and steps necessary to meet the high standards are reviewed and analyzed at individual and team level through KPI measurements.

MARKET STRATEGY

Protectors prioritized market segments are the commercial lines of business, the public lines of business and the affinity market.

We are a total supplier of non-life insurance. Our clients represent a broad range of industries and risks within non-life insurance.

The commercial sector includes 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.

The public sector consists primarily of municipalities and county authorities. Protector is ranked number 1 in Scandinavia in municipal insurance, and insures over 600 municipalities and county councils.

Protector's long-term profitability target is a combined ratio of 90-92 %, which implies growth through consistent risk selection, market pricing, cost-effective operations and risk improvements. Protector operates with the same strategy for cost and quality leadership and has implemented uniform processes for risk selection in all countries. The aim is to ensure consistent and effective decision-making by involving the correct expertise in the processes. This is our underwriting process.

All existing customers are evaluated on the same basis as new risks. The renewal process will constitute the basis for making changes to our policy terms, pricing and risk management initiatives. The renewal strategy shall always be rational and shall ensure that the profitability targets are achieved at the first renewal.

All countries have appointed a product owner/Chief UW for all products. The product owner is responsible for sharing their experiences with colleagues in the other countries, maintaining and developing terms, risk selection according to the company's UW guidelines, understanding the local market conditions and securing deliveries through the established underwriting process.

Protector's claims prevention measures are very comprehensive, and include, among other things, consultations and inspections that uncover potential safety risks, and training of employees and management in HSE and safety routines. The aim of the measures is to be able to provide targeted recommendations and action plans that are effective and realistic based on patterns emerging from claims data.

Reinsurance protects Protector's equity, is used for solvency relief purposes and ensures an equalization of the results over time. Protector uses estimates from EIOPA as a framework for determining protection through reinsurance (Excess of Loss). The protection must normally cover a damage volume with a return period of 200 years. Protector must have a maximum own account of 100 MNOK/SEK/DKK, 10 MGB or 10 MEUR for individual incidents.

Protector prepares a renewal strategy for the individual reinsurance contracts in collaboration with the company's reinsurance adviser. This strategy deals with both objectives for commercial conditions, and changes in the capacity (limit) of the individual contracts, evaluation of the level of own account and contract scope, as well as general clauses. Protector normally buys reinsurance through reinsurers with a credit rating of A- (S&P), or higher.

CLAIMS HANDLING

The claims handling is the "moment of truth" and is an integral part of the company. All claims handling takes place in-house, with the exception of certain niche areas where an internal solution is not financially sound. We have gained substantial claims handling competence, and by using skills and competences effectively across claims handling, underwriting and sales, high cost efficiency is achieved while maintaining high quality. Claims handling currently make up about 47 % of our operational workforce.

Our claims handling is built on quality standards that will ensure that injured parties can trust that they will receive the compensation they are entitled to, and in a way that provides trust and security. To achieve this, we have set the following five quality criteria as a basis: agility, tone of voice, professional substance, correct settlement and a comprehensive assessment. All claims handlers are evaluated on these five quality criteria and the company regularly receives feedback from brokers and customers so that the interests of the company and the customers can be coordinated in the best possible way. The most important in the claims processing process is agility. Protector has developed a paradigm called Clean Desk; a framework with ways of thinking and acting to ensure that claims handlers deliver on time without compromising quality.

INVESTMENT STRATEGY

The investment mandate is determined by the Board within the regulatory framework and defines the company's investment strategy. The company carries out stress tests regularly to ensure that the solvency margin is at all times at an acceptable level. In the stress tests, the result is tested of a negative outcome in all asset classes at the same time. The capital allocation is optimized to maximize risk-adjusted return from internal and external investment sources.

Protector manage its investment in-house. The management currently includes investments in shares, interest-bearing securities and related hedging instruments. The analysts calculate the returns for financial investment options, and rank them on the basis of return and risk capital.

IT STRATEGY

In Protector, we develop, maintain and operate all core systems with a strong team of 40 in-house IT specialists who are passionate about technology and business. 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 between IT and the business areas ensure a very short time-to-market for innovations. Due to a flexible organization are we able to adapt to changes in the business during the course of days.

The in-house developed IT solutions have contributed to both costs- and quality leadership. To ensure good decisions and reliable processes, we constantly focus on improving data quality and availability. Our investments in digitization is primarily aimed at strengthening and making it more efficient the value chain with our brokers and customers.

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.

ADMINISTRATION

Protector's support functions provide services to the business units through accounting, business support, process development, compliance and risk, financial controlling, actuarial analyses, HR and marketing. Protector aims to have well-functioning support functions that create value for the business units.

PERFORMANCE BASED CULTURE

Value-based leadership defines Protector and is a fundamental part of the company's business strategy. The company's guidelines shall guide the employees in their work, and contribute to ensuring that all, as a united team, move in the same direction. These guidelines can be summarized in the company vision, business idea, overall goals and values.

The employees work every day to benefit from these guidelines with developing their understanding of them – as employees, as a team, as a department and as a company. Protector's culture shall encourage employees to make decisions and to take responsibility for own achievements, and thus deliver on own objectives and contribute to the company's One Team.

Protector will recruit, develop and retain the right people. The company believes in developing important skills

through continuous and deliberate learning. Knowledge Hub has been established for the purpose of supporting the onboarding of new employees and continuous training of all employees so that all are able to make best in class decisions. Knowledge Hub allows the company to map, assess and give feedback on the employee's competence development. Together with quarterly personal development discussions, managers and employees can follow up that learning takes place and that goals are set for future performance and development. Protector also carry out annual 270° and 360° processes where employees and managers have the opportunity to give and receive feedback on how they experience each other's compliance with the company's values.

"One Team Leadership", Protector's internal 18-month leadership development program (the ninth in a row) was concluded in September 2022. The program built on experiences from previously held leadership development programs with continuity back to 2013. The 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. The tenth leadership development program in Protector will begin in February 2023.

SUSTAINABILITY

Starting from where the company can create the greatest benefit for society, we have chosen the following focus areas: people, climate-efficient solutions, climate adaptation and responsible business practices. In short, this means that we work for good working life throughout our value chain, reduces our climate footprint through claims prevention and competent claims handling, that we take climate risk into account in our underwriting and product development as well as shows responsibility with anti-corruption, anti-money laundering and through our investments.

The company has signed the UN's principles for sustainability insurance (PSI), and keeps climate accounts in accordance the GHG protocol. This is a validation of the work that has been done, and gives direction to the company's further work.

KEY FIGURES

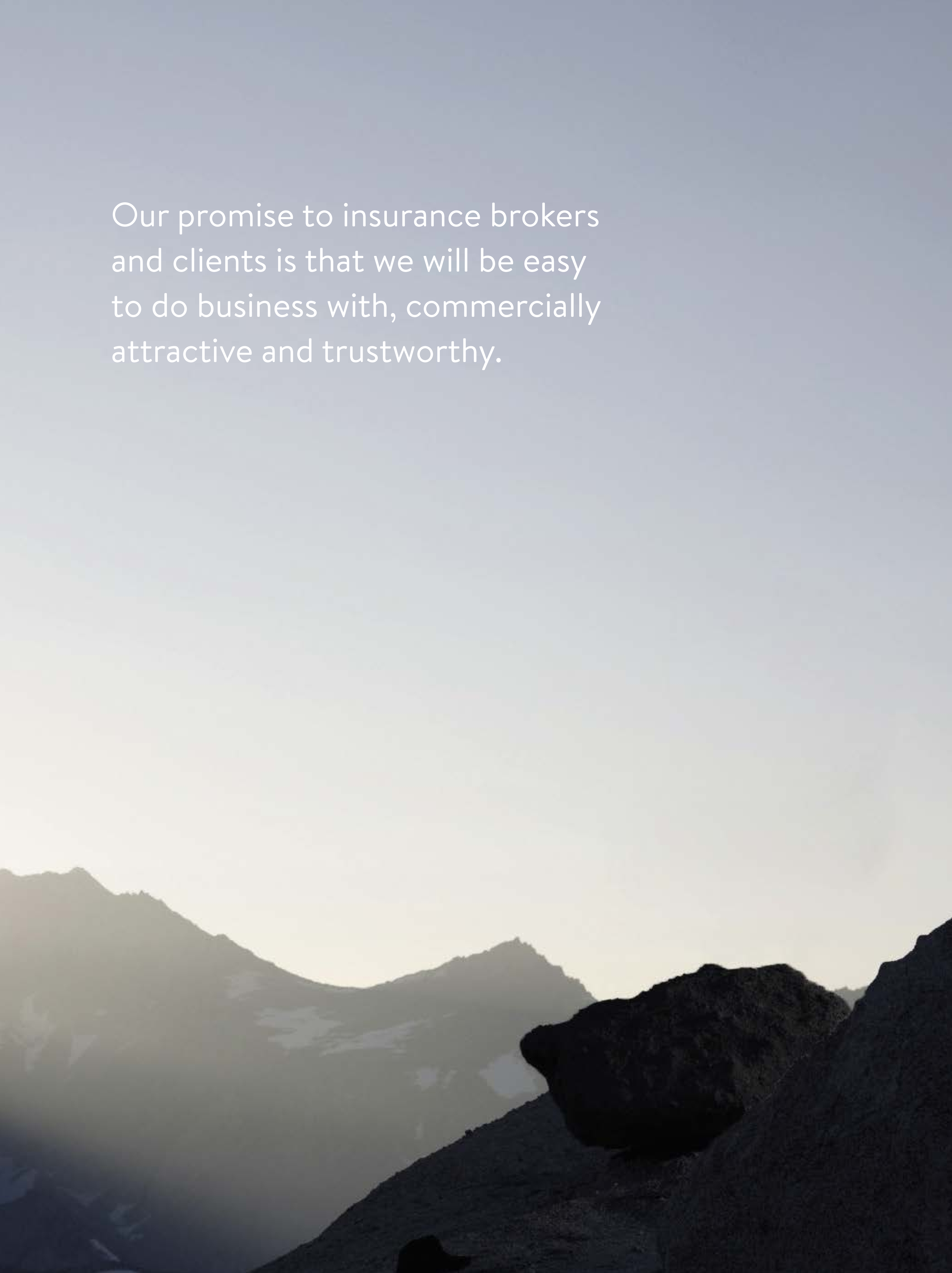
[1.000.000 NOK]		2022	2021
Gross premiums written[1]		7 098	5 951
Gross premiums earned		6 541	5 746
Gross claims incurred		(5 184)	(4 468)
Earned premiums, net of reinsurance		5 715	4 921
Other insurance related income		12	9
Claims incurred, net of reinsurance		(4 534)	(3 810)
Sales cost		(387)	(362)
Administration cost		(263)	(257)
Commission from reinsurer		102	131
Other insurance related expenses		(33)	(29)
Technical result		**600**	**594**
Other income/costs		(65)	(56)
Net financial income		477	878
Profit before tax		**1 012**	**1 416**
Tax		(167)	(252)
Discontinued operations		(3)	67
Net comprehensive income		(33)	(28)
Profit for the period		**809**	**1 204**
Claims ratio, net of reinsurance[1]	(1)	79.3 %	77.4 %
Expense ratio, net of reinsurance[1]	(2)	9.6 %	9.9 %
Combined ratio, net of reinsurance [1]	**(3)**	**88.9 %**	**87.3 %**
Gross claims ratio[1]	(4)	79.3 %	77.8 %
Gross expense ratio[1]	(5)	9.9 %	10.8 %
Gross combined ratio[1]	**(6)**	**89.2 %**	**88.5 %**
Retention rate[1]	(7)	87.4 %	85.6 %
Earnings per share[1]	(8)	10.2	15.0

(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 2022

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 do business with, commercially attractive and trustworthy.

SHAREHOLDER INFORMATION

THE PROTECTOR SHARE

In 2022 Protector's share price increased by 16.1 %. The Oslo Benchmark (OSEBX) decreased by 1 % during the same period. In 2021, Protector's share price increased by 81.9 %, while the Oslo Benchmark index increased by 23.4 % during the same period.

DEVELOPMENT IN PROTECTOR'S SHARE PRICE

The average trading volume of Protector's shares on the Oslo Stock Exchange was 80,534 shares in 2022, relative to 69,191 in 2021. At the end of 2022, the Protector share was traded at NOK 125,8. The market value of total outstanding shares was NOK 10,363 million.

DIVIDEND

In accordance with the company's adopted dividend policy, the intention in the coming years is to pay 20 - 80 % of the profit for the year as dividend. The 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. Distribution of dividends will be considered at a solvency margin above 150 %. With a solvency margin above 200 %, the Board's intention is to over time return surplus capital to the shareholders in the form of special dividends or buy-back of own 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 largest 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 March 30th, 2023 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

2022 - PROFITABLE GROWTH FROM ALL TEAMS

VERY STRONG AND PROFITABLE GROWTH FROM ALL COUNTRIES

In 2022 we grew our premiums by 21 % in local currencies, relative to 2021. Combined ratio was 88.9 %, i.e. 11.1 % profit margin on the insurance business.

The large loss rate (6.2 %) in the portfolio was slightly lower than normalised (7 %). The development in reserves from earlier years gave a positive effect at 2.3 %. Adjusted for this, underlying profitability is somewhat weaker than reported results, but still at a good level.

Results are driven by disciplined underwriting in renewals and new sales, a strong efficiency and quality development in claims handling, early and consistent action on claims inflation and a rational Scandinavian market. In UK, competition has increased in the commercial sector, whilst it has decreased in the public sector.

Both profitability and growth are results of high quality handling of our existing portfolio (low client churn, price increases, good claims handling and improved risk selection) and a strong new sales, especially in UK and Sweden.

WELL PREPARED FOR UNCERTAIN MARKET CONDITIONS THROUGH DISCIPLINE AND DATA QUALITY

To us, as for our competitors, insurance brokers, clients and reinsurers, the extraordinary inflation has been in focus. A fact based approach with the right competence involved has led to differentiated actions to counter deteriorating profitability. Adjustments to sums insured and rates are the most important measures. Throughout the year we have also added competence and capacity on claims procurement to better control and influence claims costs.

Our strong focus on quality and efficiency in risk management and claims handling is important to our profitability and at the same time it supports our sustainability ambition. When sustainability actions add directly to the bottom line, the incentive and use of resources increases.

The data quality has improved during 2022, but there is still room for further improvements. Our current situation contribute to us having good control of the largest risks in our portfolio, enable simple automations, improve availability and increase precision in analyses. Investment in competence, capacity and increased cooperation between IT and the business units are essential to further improve data quality and implement the advantages it entails.

FINANCIAL MARKET TURMOIL AND SIGNIFICANT INCREASE IN REFERENCE RATE

The investment portfolio yielded a return of NOK 501m (3.4 %); the equity portfolio returned 13.9 % whereas the fixed income portfolio returned 1.4 %. We invest for the long term; short term gains and losses are mostly unrealised. The excess return from financial investments since October 2014 (in-house management) is exceptional.

Our average reference rate has increased by 2.8 percentage points throughout the year, whilst the average risk premium (spread) has increased by 1.2. Hence, our expected annual yield (before cost of risk) in the fixed income portfolio has increased from two (2) percent by the end of last year, to six (6) percent by the end of 2022.

From a capital perspective, we have during 2022 adapted our duration on the fixed income portfolio to reflect the duration of our insurance reserves, which we believe is more correct in a higher interest rate environment.

In Protector, we consider investments as core business; we take on calculated risks both within insurance and investments. Our assets under management have grown to NOK 14.9 billion (up from NOK 14.3 billion). At year end about 17.9 % was allocated towards equities and 82.1 % towards fixed income securities and hedging instruments related to interest development.

CAPITAL ALLOCATION WITH A LONG TERM VIEW ON RETURN ON EQUITY

To assess risks and opportunities from a capital perspective, we have strengthened the process and involved competence from a wider part of the company in 2022. Both existing and new elements are assessed, discussed and quantified quarterly, or more often if found necessary. This lay the groundwork for correct capital allocation decision-making and contribute to us being well prepared and capitalised in turbulent times.

In times where we see opportunities for profitable growth within insurance, see attractive financial investment opportunities, have other attractive allocation alternatives or consider the macro environment to be turbulent (or a combination of above), we will be reluctant to distribute excess capital to shareholders.

The solvency capital ratio (SCR-ratio) for 2022 is at 195 %. With this, we have a solid base for the future, and we value the flexibility it entails. Our solvency based reinsurance agreement was not renewed by the end of the year.

A.M Best has maintained their investment grade credit rating of bbb+ with stable outlook on Protector.

PROUD TEAM CAPTAIN

When the results are strong in all business units, it is driven by good performance from all functions in the business units. That would not have been possible without high quality deliveries and development also from centralised IT and HQ functions. The collaboration between people, teams, units and functions is significantly improved throughout 2022. This is driven by the teams, whilst the structures for collaboration were developed along the way. I am impressed and proud of how sharing of "best practice" make us stronger, at the same time as we to a large degree support each other where that is most important, independently of where one work. Thank you to all employees for evolving our culture every day and for delivering great results.

With strong growth we must strengthen the team to continue delivering. We have an ambition to increase the number and diversity of applicants. This implies increased visibility in more channels and innovation in how we best can give potential applicants a view of our every day in Protector. This is one step in creating diversity, to the best for our company.

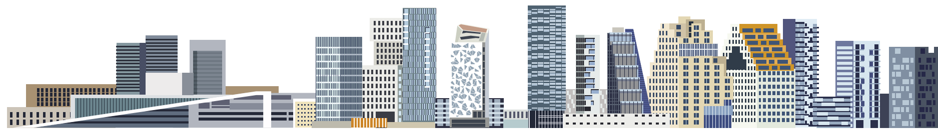
The insurance brokers are also a part of our team. Our best and only friends grew their market share in 2022, especially through developing arrangements for smaller clients than those who usually are a part of the brokered market. We are a part of that journey, and see a lot of future opportunity to compete on quality and efficiency against our competitors' direct distribution channels.

Following a period of poor evaluations from the brokers we collaborate with in Scandinavia, the quality of deliveries have improved in 2022. Our own survey is supported by external, which depicts Norway back in the lead, Denmark close to lead and Sweden on the right track. Our last survey in UK was carried out towards the end of 2021. However, indications suggest that we still deliver high quality. Going forward, our focus is to develop efficiency and quality in our joint value chain together with the brokers. This involves processes, data quality, as well as technology. I would like to use this opportunity to thank all our friends for their trust in us. We will continue to do business with you only, and we are dedicated to make our joint value chain even greater.

HENRIK GOLFETTO HØYE
CEO

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



Combined ratio 89.2 % and 14 % growth

GROWTH AND PROFITABILITY

In 2022, total premiums in Norway amounted to NOK 1,610.1 million against NOK 1,415.0 million in 2021, representing 14 % growth. The increase was largely driven by a low customer churn rate (12 %) as well as good new sales.

The technical result (insurance result) was NOK 145.1 million against NOK 123.5 million in 2021, corresponding to a net combined ratio of 89.2 % against 89.2 % in 2021.

The claims ratio for own account was 83.7 %, up from 82.1 % in 2021 and includes run-off gains on previous years' claims provisions as well as a large loss ratio below the normal level.

The gross expense ratio was 6.2 % (7.6 %).

DISTRIBUTION AND MARKET

We aim to be the preferred partner for our brokers. In our broker satisfaction survey, we received good feedback on deliveries from our broker service team, which is further confirmed by external quality surveys. We always aim to improve, and have therefore increased capacity on the market side to both improve our renewal process and ensure a clear presence in the market. This makes us well positioned for further profitable growth in 2023.

ORGANISATION AND COMPETENCE

Norway had an average of 88 FTEs (permanent employees) during 2022, including the discontinued operations (Change of Ownership insurance). We have in-house underwriting expertise on all product lines. On claims handling, the only products handled externally is Health insurance. Centralized professional forums ensure the best possible accessibility on competence where needed. Our efficiency has improved further in 2022, but as always our main focus will be on balancing costs, 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

Combined ratio 86.9 % and 20 % growth

GROWTH AND PROFITABILITY

In 2022, total premiums in Sweden amounted to NOK 2,072.6 million against NOK 1,820.5 million in 2021, representing 14 % growth (20 % in local currency). The increase was driven by a low customer churn rate (18 % - whereas one large client loss explaining approx. 4 %-points), as well as strong new sales.

The technical result (insurance result) was NOK 225.8 million against NOK 409.9 million in 2021, corresponding to a net combined ratio of 86.9 % against 73.0 % in 2021.

The claims ratio for own account was 75.0 %, up from 62.8 % in 2021 and includes run-off gains on previous years' claims provisions, as well as a large loss ratio somewhat above the normal level.

The gross expense ratio was 12.5 % (12.3 %).

DISTRIBUTION AND MARKET

We aim to be the preferred partner for our brokers. In 2022, we have strengthened our position, both by supporting brokers in finding acceptable solutions and by broadening our business to involve more brokers. Our annual broker satisfaction survey showed that we are on the right track on quality, but that we still have much room for improvement.

International insurers are still challenged on capacity; they increase prices and run off products and accounts. This particularly relates to Property, where we see a hardening market. On the contrary, the Motor market is softening; competition increases due to less opportunities elsewhere.

ORGANISATION AND COMPETENCE

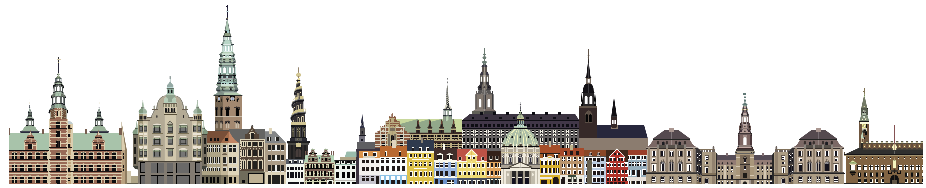
Sweden had an average of 95 FTEs (permanent employees) during 2022.

The Swedish organization hold most expertise in-house, but Nordic specialty resources support on some P&C underwriting. Within claims handling, specialty resources are obtained externally when .

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



Combined ratio 93.7 % and 18 % growth

GROWTH AND PROFITABILITY

In 2022, total premiums in Denmark amounted to NOK 1,077.2 million against NOK 918.7 million in 2021, representing 17 % growth (18 % in local currency). The increase was largely driven by good new sales.

The technical result (insurance result) was NOK 36.5 million against NOK 64.0 million in 2021, corresponding to a net combined ratio of 93.7 % against 89.8 % in 2021.

The claims ratio for own account was 86.9 %, up from 82.9 % in 2021 and includes run-off losses on previous years' claims provisions as well as a large loss ratio below the normal level.

The gross expense ratio was 7.0 % (8.4 %).

Profitability varies between our lines of business. Motor is overall performing well, but certain segments show late effects from post Covid. Property has experienced large losses slightly below a normalized level, but is to a large extend affected by inflation on building materials – especially on the Housing segment. Workers' Compensation has been affected by further run-off losses. We are satisfied with overall underlying realities, but need to implement profitability measures within certain products and segments.

Overall, we can conclude that we were too soft on price increases entering 2022. Inflation continues to affect claims cost on Property and Motor and necessitates further price adjustments in 2023.

DISTRIBUTION AND MARKET

We aim to be the preferred partner for our brokers. Our Broker Satisfaction Index has improved significantly through an intense focus throughout our value chain. The performance has improved both within the claims department and within broker service.

Inflation has been a hot topic for the general insurance market this year, resulting in significant price increases and reduced capacity, especially within large property exposures. This has led to an increasing level of new business opportunities for us, and it is expected to continue in 2023. We are setup for further growth through disciplined risk selection.

ORGANISATION AND COMPETENCE

Denmark had an average of 49 FTEs (permanent employees) during 2022. Growth necessitates onboarding of new colleagues, and we have been welcoming many new faces throughout 2022. We have thereby strengthened our competences on claims handling, underwriting, risk management and broker service.

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

Combined ratio 87.6 % and 30 % growth

GROWTH AND PROFITABILITY

In 2022, total premiums in UK amounted to NOK 2,115.7 million against NOK 1,618.1 million in 2021, representing 31 % growth (30 % local currency). The increase was driven by good renewal rates and new sales.

The technical result (insurance result) was NOK 177.2 million against NOK -44.8 million in 2021, corresponding to a net combined ratio of 87.6 % against 103.3 % in 2021.

The claims ratio for own account was 74.2 %, down from 87.8 % in 2021 and includes run-off gains on previous years' claims provisions as well as a large loss ratio below expected level on Property and Motor.

The gross expense ratio was 12.7 % (14.4 %).

DISTRIBUTION AND MARKET

We aim to be the preferred partner for our brokers and we receive good feedback on our broker satisfaction surveys. We have expanded our distribution by adding two new 'regional' brokers. Whilst these relationships are new, the early signs are positive and during 2022 we started planning for further extension of our distribution and new products and sectors which we anticipate will come 'on stream' during 2023.

The Motor market remained soft during 2022. Whilst we saw a number of tenders, we were reluctant to adjust our rates. In addition, we have focussed on conventional risk transfer cover, which will reduce our renewal book in 2023, but aligns with our core strategy. We anticipate that the trading environment will become more favourable in 2023. Property and Casualty have performed in accordance with our expectations, driving growth in both areas.

ORGANISATION AND COMPETENCE

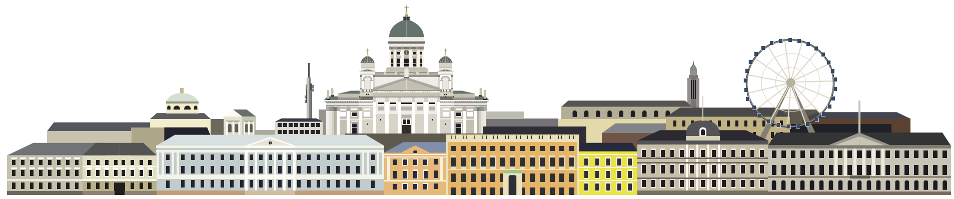
UK had an average of 97 FTEs (permanent employees) during 2022 with management, underwriting, claims handling, risk management and finance and administration in-house.

We employed 18 new colleagues in 2022, growing the UK team by 11 %. Competence continues to be high, and so future recruitment will again focus on graduate / supporting roles. 'One Team' remains at the forefront of our culture, with collaborations increasing between the Protector offices, ensuring that we are once again well positioned to continue our 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



Combined ratio 91.5 % and 25 % growth

GROWTH AND PROFITABILITY

In 2022, total premiums in Finland amounted to NOK 222.2 million against NOK 178.2 million in 2021, representing 25 % growth (25% in local currency). Adjusted for technicalities in the final premium and run-off calculations on the Workers' Compensation product, the underlying volume development is flat.

The technical result (insurance result) was NOK 14.9 million against NOK 41.8 million in 2021, corresponding to a net combined ratio of 91.5 % against 82.1 % in 2021.

The claims ratio for own account was 86.6 %, up from 78.1 % in 2021 and includes run-off gains on previous years' claims provisions as well as a large loss ratio below the normal level.

The gross expense ratio was 5.4 % (5.6 %).

DISTRIBUTION AND MARKET

We aim to be the preferred partner for our brokers. The service level has been very good within both broker- and claims service. This is supported by our results in broker instant feedback (BIF) surveys (99 % satisfied).

The Finnish market is very concentrated; incumbents control more than 90 % of the market. Protector has broadened the relationship with several new smaller broker houses during 2022.

ORGANISATION AND COMPETENCE

Finland had an average 21 FTEs (permanent employees) in 2022.

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

Disciplined approach with focus on limiting downside risk

The investment portfolio returned 501 MNOK in 2022, with strong contributions from both fixed income and equities. We are very satisfied with this result since the markets have been turbulent this year. However, 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.

After almost 40 years of continuously falling rates, the raising interest rates was the main event in the investment portfolio in 2022. Our avg. reference interest rate was 0.5 % entering 2022 and 3.3 % by the end of the year. With interest rates was around zero percent, we did not follow common industry practice to match the interest rate risk in our reserves – it felt like an asymmetric risk reward. As the interest rates moved into a more normalised territory, we have increased our interest rate duration in the bond portfolio to lower our interest rate risk for the company. Prior to 2022 the investment return has been hampered by the low interest rate duration.

Performance in the fixed income portfolio always need to be evaluated trough a full credit cycle. We have so far 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 non-crisis years. However, over time companies that should not have been financed will cause losses and real risk-adjusted return will be visible. This strategy of slight underperformance in most periods and large outperformance during turbulence, has so far paid off with strong outperformance since insourcing the fixed income portfolio in 2015.

Historically the bond portfolio has shown very low volatility. In 2022 the credit duration increased from 1.3 to 2.2 years, which implies a risk for somewhat higher volatility going forward.

Every year I spend some time in the annual report on a new topic. Last year I focused on growth companies since some shareholders had asked us why we didn’t focus more on the highest quality growth companies, given the fantastic long term value creation of some of those companies.

I concluded that you were playing against the odds if you payed high multiples and implicitly predicting long duration growth. 2022 was a year where it is tempting to quote Horace, *“Many shall be restored that now are fallen and many shall fall that now are in honor”*, when growth companies and especially those with low/ no earnings today took a beating. In capital markets **today’s winners generally turn out to be tomorrow’s losers**, and vice versa. This is true for companies and investment managers alike. When everything looks most rosy, we should be most afraid.

Our process when investing, is always to make sure that we have base rate support for our investment strategy. Our portfolio today has a PE ratio of ~10 on analysts’ expectations on 2023 – with in our minds good prospects for value creating growth. The growth for these companies’ ex banks/insurance the last 5 years has been a yearly growth of 7.4 %. Our investments in banks and insurance companies have been bought at a large discount to the book value and is still priced at a large discount. Buying based on strong value, low price relative to value, and depressed general psychology is likely to provide the best results. Even then, things can go against us for a long time.

We also get some questions from shareholders on large positions. This year I will focus on what drives position sizing for us when it comes to equities.

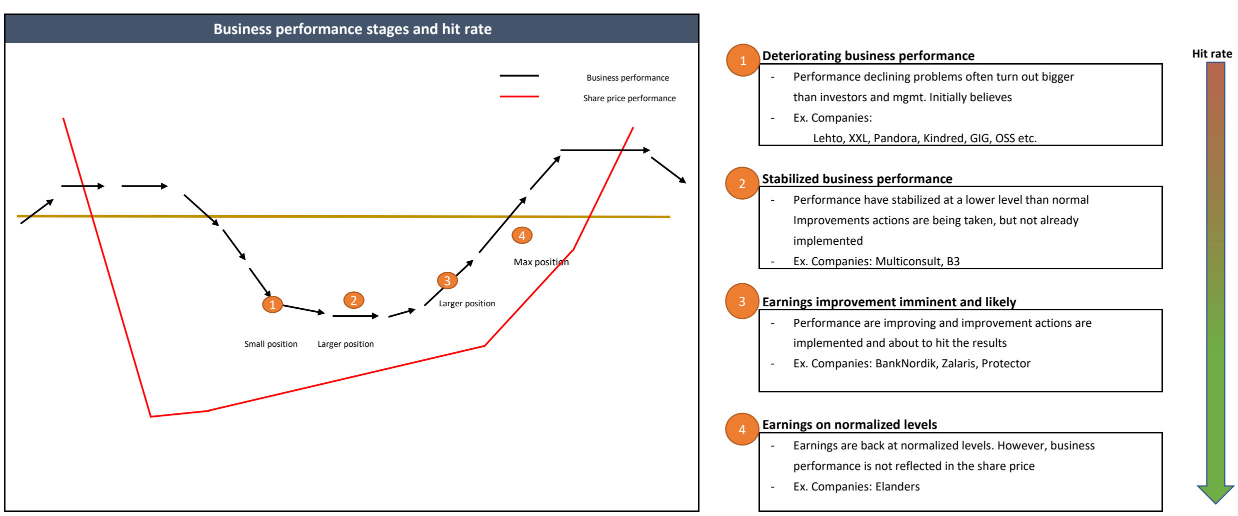
We learned a valuable lesson in 2018/19 from several very costly mistakes. To avoid this in the future, the main answer was not being good at detecting early warning signals for when an investment case is crumbling but investing in type of companies and industries where disastrous of outcome is very unlikely to happen – low level of difficulty.

If underwriting long duration future growth is difficult, it is much easier to value a business with a sticky and diverse customer base – providing an essential product with high margin stability and pricing power, and a dominating market position and the like. The lower the difficulty, the larger position.

We have worked on building an extensive watch list of low level of difficulty companies. Many of these watch list companies will become attractively priced during market declines or hick-ups in business performance.

However, at times when we have a “falling knife situation” we also have very high risk of underwriting mistakes. Therefore, another driver of position sizing is “performance stage”. We have seen many cases where the business deterioration just continues, and problems turns out to be much bigger than initially expected.

To secure good hit ratio we should be careful trying to catch falling knifes and increase position sizing on improving business performance in line with investment case.



Short time of ownership increases the risk of mistakes. No matter how good the initial deep-dive and underwriting, it is impossible to gain the same nuanced expertise level as we have after 2 years of owning a company,
and continuously having followed up with management.

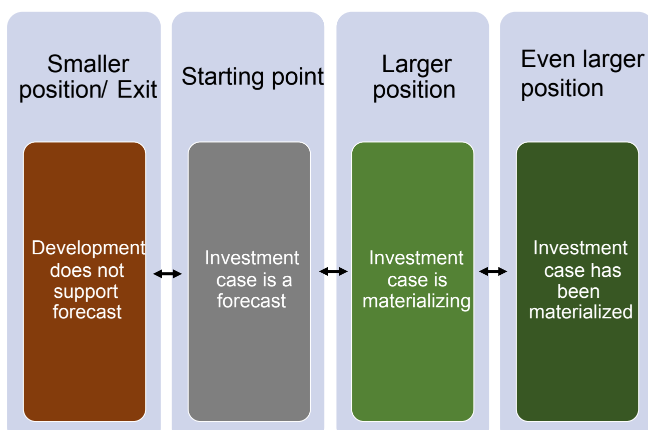
The large number of new companies in the equity portfolio seen in 2022, **increases the risk for mistakes.** As would be expected most (5 of 6) of the largest (55 %), has been owned more than 1 year which is somewhat mitigating.

The greater discount to intrinsic value the better. However, we have seen that the cases with the highest discounts either became the biggest winners, or the biggest losers.

When it comes to position sizing, down-side risk is more important than discount. In addition to difficulty, factors such as strong balance sheet, redundancy and so on are important drivers of position sizing.

Although it is important to reduce the number of times you are wrong, being wrong is also inevitable. Therefor it's important to have a process that tilt us towards winning big when we are right and loosing small when we are wrong. Investing is finding something that is mispriced-i.e., where we have the correct perception and others (the market) have the wrong perception. For that to happen you need to have a prediction about the future, that is different from the consensus prediction. The development in evidence that you are right, and the market is wrong should be an important driver of position sizing.

Investment and strength of "case evidence"



In summary we base our position sizing on (a) difficulty (b) Expertise and time of ownership (c) downside risk (d) discount to intrinsic value (e) case evidence level / performance stage and finally f) liquidity.

We see the investment case materializing in quite many of our companies. Possibly (hopefully) it will imply a need to further recycle the portfolio into new ideas – and with a process tilting us towards winning big and loosing small hopefully escape the common faith of today's winner, turning tomorrows looser.

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

Shares in Protector: Yes, see note 13.

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 and Linstow AS

Regarded as an independent board member: Yes

Shares in Protector: Yes, see note 13.

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

Shares in Protector: No

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

Shares in Protector: No

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 Gaming Innovation Group Inc., Øgreid AS, B2Holding ASA and Firda AS

Regarded as an independent board member: Yes

Shares in Protector:
Yes, see note 13.

TONJE GIERTSEN

BOARD MEMBER

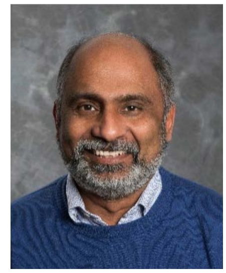
(elected by and amongst the employees)

Education:
- 1996-2002: Master of Laws, The University of Bergen

Experience:
- Senior lawyer/chief advisor, Protector forsikring (2017-)
- Lawyer, Advokatfirmaet Helland Ingebrigtsen DA (2012-2017)
- Trainee lawyer, Kco advokater (2008-2012)
- Legal adviser, Landsforeningen for trafikkskadde (2005-2008)
- Senior consultant, Folketrygd kontoret for Utenlandssaker (NAV) (2002-2005)

Board member of Protector since: 2022

Shares in Protector:
Yes, see note 13.



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

Shares in Protector:
Yes, see note 13.

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.

The company commenced its operations in 2004 and was listed on the Oslo Stock Exchange in 2007.

The company has grown rapidly since its inception, and today counts over 436 permanent employees, with offices in Stockholm, Copenhagen, Helsinki, London, Manchester and Oslo (head office).

HIGHLIGHTS FOR 2022:

- 19 % growth in gross written premiums
- Combined ratio for own account 88.9 %
- 3.4 % return on the investment portfolio
- 27.4 % return on equity
- Solvency margin 195 %

PREMIUM INCOME

In 2022, gross premiums written increased by 19 % to a total of NOK 7,097.8 million. In local currencies the growth was 21 %.

Gross premiums earned increased by NOK 795.0 million to a total of NOK 6,541.0 million.

Premiums earned for own account amounted to NOK 5,714.6 million, an increase of 16 % compared to 2021. The reinsurers' share of premium income is 1.7 percentage points lower than last year.

Premium growth is driven by the UK and Sweden which accounts for 71 % of new sales. In the UK, gross written premiums increased by 31 % to a total of NOK 2,115.7 million. The growth in the Nordic countries was: 14 % in Sweden to a total of NOK 2,072.6 million, 14 % in Norway to a total of NOK 1,610.1 million, 17 % in Denmark to a total of NOK 1,077.2 million and 25 % in Finland to a total of NOK 222.2 million. In local currencies, the growth was 30 % in the UK and 18 % in the Nordics. The renewal rate was 93 % against 90 % in 2021.

The company is the market leader in the Scandinavian municipal market. In 2022, the total growth in the municipal sector was 18 % in local currencies. The growth within the personal lines of business and other business were 18 % and 17 % respectively. The growth in Sweden was 10 %, 17 % in Denmark and 19 % in Norway. In the UK and Finland, the growth rates were 17 % and 34 % respectively. In Denmark, the public sector accounted for 38 % of total premium volume, in Sweden 23 %, in Norway 24 %, in the UK 24 % and in Finland 71 %.

RESULT

The profit before tax amounted to NOK 1,012.0 million compared to NOK 1,416.3 million in 2021. The strong result is due to a strong technical result and a strong investment result. The profit for discontinued operations (change of ownership insurance) was NOK -2.5 million against NOK 67.4 million in 2021. The return on the average equity was 27.4 %, against 35.6 % in 2021.

The claims ratio for own account increased from 77.4 % in 2021 to 79.3 % in 2022. The expense ratio for own account amounted to 9.6 %, down from 9.9 % in 2021. The development in claims and expense ratios results in a combined ratio for own account of 88.9 %, against 87.3 % in 2021.

The technical result is driven by strong results in Sweden, UK and Norway, which all had a net combined ratio below 90 %. Denmark and Finland also contribute positively to the technical result.

The Covid-19 pandemic had no measurable impact on the company's claims cost in 2022. In 2021, the pandemic had a positive effect of appr. 0,8 percentage points on the claims ratio for own account, primarily related to Motor as a result of less traffic.

The gross cost ratio decreased from 10.8 % in 2021 to 9.9 % in 2022. The decrease is mainly driven by the premium growth.

The net result from investments for the company's total investment portfolio amounted to NOK 500.6 million, corresponding to 3.4 %, down from NOK 954.5 million, corresponding to 6.8 % in 2021. 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 329.8 million, corresponding to 13.9 %, compared with NOK 669.5 million, corresponding to 38.9 % in 2021.

The return on the fixed income portfolio amounted to NOK 170.8 million, corresponding to 1.4 %. In 2021, the return on the fixed income portfolio was NOK 285.1 million, corresponding to 2.3 %.

The technical result for discontinued operations (change of ownership insurance) was NOK -28.0 million and the result was NOK -2.5 million. As of January 1st 2022, a new legislation came into force and the company ceased to offer change of ownership insurance. 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 2022 in Protector Forsikring ASA was NOK 809.5 million up from NOK 1,204.0 million in 2021.

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 2022 195 %. 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 3,444.7 million, a decrease of NOK 137.4 million. Dividend payments in 2022 have reduced equity by NOK 947.3 million.

The cash flow statement showed a negative cash flow from operating activities of NOK 121.4 million. Net cash flow was negative by NOK 1,319 million. Cash and cash equivalents amounted to NOK 1,080.3 million at the end of 2022. The cash flow reduction is due to the allocation of funds from bank deposits to other financial instruments.

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

The company had 2,486 shareholders at the end of 2022, which is 238 more shareholders than at the same time in 2021 (2,248). Foreign shareholders own 30 % percent of the shares compared to 29 % one year earlier.

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 2021, the company had an investment portfolio of NOK 14.9 billion, of which 82.1 % was invested in interest-bearing instruments and 17.9 % in equities. The share invested in equities has increased by 2.8 percentage points during 2022. The duration in the fixed income portfolio at the end of 2022 was 2.5 years, compared to 0.4 years at the end of 2021. Management of interest rate risk is part of the company's capital assessment process. The interest rate risk is considered to be acceptable.

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 87.4 % at the end of 2022.

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 2022, the credit duration in the interest-rate portfolio was 2.2 years, up from 1.3 years in 2021. The average credit rating for the issuers in the portfolio is A- at the end of 2022, unchanged from the end of 2021. The credit risk in the fixed income portfolio has increased somewhat during 2022.

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 2022 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 relates to factors of importance for sustainable social development. By safeguarding human rights, a good working life, climate, environment and anti-corruption, we shall contribute to sustainable value creation both for society and for 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 72 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 page 66.

REMUNERATION OF EXECUTIVE PERSONNEL

The purpose of Protector's remuneration policy is to attract employees with the skills the company needs, to further develop and retain key skills and to motivate long-term and continuous progress in order to achieve Protector's goals. As an overall approach, Protector's policy must be aimed at offering an overall compensation that is competitive so that the company can attract and retain the most talented employees.

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 15 February 2023 paid an additional dividend of NOK 494.3 million (equivalent to NOK 6.00 per share) based on the 2021-result. The paid dividend is included in other equity as of 31.12.2022.

PROSPECTS

The underlying profitability is good, and with continued price increases to counter claims inflation, the technical result is expected to remain on a good level.

Entering 2023, the company has experienced a continuing low client churn. In January, our largest inception month, the company experienced 17 % growth in local currencies supported by price increases countering for claims inflation. However, the January volume has a less significance for the company's annual premium growth than historically. The inception dates in the UK and Sweden (ie the countries with the highest premium volume) are more spread throughout the year.

The claims development, and the inherent volatility of capital markets continue to be the most important risk factors that could affect the company's profit in 2023.

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, March 2nd 2023
The Board of Directors of Protector Forsikring ASA
Translation - not to be signed

Jostein Sørvoll (Chairman)	Arve Ree (Deputy Chair)	Else Bugge Fougner	Kjetil Garstad
Mathews Ambalathil	Randi Helene Røed	Tonje Giertsen	Henrik Golfetto Høye (CEO)

INCOME STATEMENT

[1.000 NOK]	Notes	2022	2021
PREMIUM INCOME			
Gross premiums earned		6 541 036	5 746 076
Reinsurers' share of earned premiums		(826 441)	(825 339)
Earned premiums, net of reinsurance	6	5 714 595	4 920 737
Other insurance-related income		**11 856**	**8 716**
CLAIMS COST			
Gross claims incurred		(5 184 191)	(4 468 397)
Reinsurers' share of claims incurred		650 183	658 334
Claims incurred, net of reinsurance	6	(4 534 008)	(3 810 063)
OPERATING EXPENSES			
Sales costs	18	(386 588)	(361 665)
Administration costs	7,8,14,19-21	(262 765)	(256 615)
Commission from reinsurers		101 659	130 701
Total operating expenses, net of reinsurance		(547 694)	(487 578)
Other insurance-related expenses		**(45 150)**	**(37 410)**
Technical result		**599 599**	**594 401**
NET INCOME FROM FINANCIAL ASSETS			
Income from investments in associated companies		20 063	10 827
Interest income and dividend from financial assets		457 813	331 664
Changes in value on investments		(122 791)	(21 830)
Realised gain and loss on investments		156 276	620 595
Administration expenses related to investments, including interest expenses		(34 367)	(62 930)
Total net financial income	22	476 993	878 325
Other income		823	1 993
Other expenses		(65 414)	(58 381)
Total other income/expenses		(64 590)	(56 388)
Non-technical result		412 403	821 937
Profit before tax		1 012 002	1 416 338
Tax	15	(166 694)	(251 656)
Profit from continued operations		845 308	1 164 682
Discontinued operations	27	(2 521)	67 428
Profit before components of comprehensive income		**842 788**	**1 232 110**
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)
Tax on other comprehensive income that will not be reclassified subsequently to profit or loss	15	-	257
Total other comprehensive income that will not be reclassified subsequently to profit or loss		-	(771)
Other comprehensive income that will be reclassified subsequently to profit or loss			
Exchange differences from foreign operations		(44 414)	(36 487)
Tax on other comprehensive income that will be reclassified subsequently to profit or loss		11 103	9 122
Total other comprehensive income that will be reclassified subsequently to profit or loss	15	(33 310)	(27 365)
Total other comprehensive income		(33 310)	(28 136)
Profit for the period		**809 477**	**1 203 973**

STATEMENT OF FINANCIAL POSITION

[1.000 NOK]	Notes	31.12.2022	31.12.2021
ASSETS			
INTANGIBLE FIXED ASSETS			
Other intangible fixed assets	7	95 944	73 336
Total intangible fixed assets		**95 944**	**73 336**
FINANCIAL ASSETS			
Shares in associated companies		-	127 330
Shares at fair value		2 522 945	1 824 416
Securities, bonds etc		10 832 101	9 179 328
Financial derivatives		65 744	94 133
Bank deposits investment portfolio		839 781	1 935 562
Total financial assets	**4, 9**	**14 260 572**	**13 160 769**
REINSURERS SHARE OF GROSS TECHNICAL PROVISIONS			
Reinsurers share of gross premium provisions		226 056	177 089
Reinsurers share of gross claims provisions		2 842 600	2 972 195
Total reinsurers share of gross technical provisions	**6**	**3 068 656**	**3 149 285**
RECEIVABLES			
Policyholders		691 181	523 216
Other receivables		29 535	95 258
Total receivables	**10**	**720 716**	**618 474**
OTHER ASSETS			
Tangible fixed assets	8	28 971	33 994
Cash and bank deposits	11	198 486	299 836
Total other assets		**227 457**	**333 829**
Prepaid expenses and accrued, not received income	12	697 705	462 534
Assets discontinued operations	27	878 325	1 448 049
Total assets		**19 949 375**	**19 246 276**

STATEMENT OF FINANCIAL POSITION

[1.000 NOK]	Notes	31.12.2022	31.12.2021
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital [82.500.000 shares of nominal NOK 1]	13	82 500	82 500
Own shares	13	(123)	(128)
Other paid-in equity		267 677	267 677
Total paid-in equity		**350 055**	**350 049**
EARNED EQUITY			
Natural perils capital		62 694	97 748
Guarantee scheme		72 783	78 163
Fund for valuation differences		-	9 958
Other equity		2 959 201	3 046 211
Total earned equity		**3 094 678**	**3 232 081**
Total equity		**3 444 732**	**3 582 130**
Subordinated loan capital	9, 25	1 244 711	1 384 664
TECHNICAL PROVISIONS			
Provisions for unearned premiums		2 111 786	1 575 464
Provisions for claims	3	9 387 111	8 404 103
Total technical provisions	**6**	**11 498 897**	**9 979 567**
PROVISIONS FOR LIABILITIES			
Current tax liability	15	120 202	191 229
Deferred tax liability	15	42 771	121 582
Total provisions for liabilities		**162 973**	**312 810**
LIABILITIES			
Liabilities in connection with direct insurance	16	107 525	73 384
Liabilities in connection with reinsurance	16	2 094 968	2 238 317
Financial derivatives	4, 9, 16	54 806	26 146
Other liabilities	16	271 176	286 557
Total liabilities	4, 16	**2 528 475**	**2 624 404**
Incurred expenses and prepaid income	17	555 152	528 917
Liabilities discontinued operations	27	514 435	833 784
TOTAL EQUITY AND LIABILITIES		**19 949 375**	**19 246 276**

Oslo, March 2nd 2023
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

Mathews Ambalathil

Randi Helene Røed

Tonje Giertsen

Henrik Golfetto Høye (CEO)

CASH FLOW STATEMENT

[1.000 NOK]	2022	2021
CASH FLOW FROM OPERATIONS		
Premiums paid	6 737 378	5 884 296
Claims paid	(4 548 947)	(3 934 521)
Paid reinsurance	(146 733)	(351 838)
Paid operating expenses including commissions	(551 855)	(440 102)
Interest / dividend income	482 401	358 106
Net payments from financial instruments	(1 792 240)	(372 106)
Payable tax	(301 381)	(173 890)
Net cash flow from operations	**(121 377)**	**969 945**
CASH FLOW FROM INVESTMENT ACTIVITIES		
Investments in fixed assets	(43 754)	(52 815)
Net cash flow from investment activities	**(43 754)**	**(52 815)**
CASH FLOW FROM FINANCIAL ACTIVITIES		
Dividend paid	(947 280)	(659 536)
Repayment of subordinated loan capital (see note 25)	(139 953)	(439 000)
Payment of subordinated loan capital (see note 25)		350 628
Interest payments on subordinated loan capital	(66 648)	(61 616)
Net cash flow from financial activities	**(1 153 881)**	**(809 524)**
Net cash flow for the period	**(1 319 012)**	**107 606**
Net change in cash and cash equivalents	(1 319 012)	107 606
Cash and cash equivalents opening balance	2 407 229	2 312 148
Effects of exchange rate changes on cash and cash equivalents	**(7 889)**	(12 525)
CASH AND CASH EQUIVALENTS CLOSING BALANCE	**1 080 328**	**2 407 229**

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 31.12.2020	**86 156**	**(4 269)**	**267 677**	**70 153**	**84 875**		**2 525 882**	**3 030 473**
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 for the year							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**
1.1- 31.12.2022								
Change own shares		5					39	44
Total equity before profit for the year	**82 500**	**(123)**	**267 677**	**97 748**	**78 163**	**9 958**	**3 046 249**	**3 582 174**
Profit for the year						(9 958)	819 436	809 477
Value changes in synthetic shares							361	361
Dividend paid							(947 280)	(947 280)
Total equity before fund provisions	82 500	(123)	267 677	97 748	78 163	-	2 918 766	3 444 732
Provisions to obliged fund gross				8 115	(5 381)		(2 734)	-
Reclassification of administration cost[1]				(43 169)			(43 169)	-
EQUITY AS AT 31.12.2022	**82 500**	**(123)**	**267 677**	**62 694**	**72 783**	**-**	**2 959 201**	**3 444 732**

[1] The company has reclassified parts of the Natural perils capital to other earned equity with TNOK 43,169. The reclassification was made to correct an error for the past 10 years where the company has mistakenly not claimed coverage for administration costs linked to the natural perils capital which the company believes is authorized in section 11 first paragraph of the Regulations on instructions for the Norwegian Natur Damage Pool.

ACCOUNTS AND NOTES

NOTE 1 ACCOUNTING PRINCIPLES

Generelt
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
Protector has not implemented any new accounting standards with effect from 1 January 2022.

New accounting standards that have not entered into force
The Ministry of Finance has adopted changes to the accounting rules for insurance companies as a result of IFRS 17. The changes come into force with effect for accounting years starting from January 1st 2023 or later. This means that Protector will report according to full IFRS from January 1st 2023. The main change from NGAAP to full IFRS is related to IFRS 17 Insurance contracts. This new standard replaces IFRS 4 Insurance contracts and introduces new requirements for recognition, measurement, presentation and information about issued insurance contracts. The purpose of the new standard is to establish a uniform practice for accounting for insurance contracts.
The standard comes into force from 1 January 2023.

Other standards that will be implemented in 2023, as a result of the transition to full IFRS, are IFRS 9 Financial Instruments and IFRS 16 Leases.

For IFRS 9, the assessment is that this will not have any significant effect on the balance sheet or profit and loss based on the fact that Protector has chosen to measure all financial assets at fair value through profit or loss (FVTPL).The implementation of IFRS 9 will not affect Protector's recognition and measurement.

The implementation of IFRS 16 is not expected to affect the profit and loss significant, but will have some effect on the balance sheet and classification in the profit and loss statement.

See note 28 for further information of the transition effects to IFRS.

Foreign currency
The 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 receivables 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.

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.

Recognition and derecognition
Financial assets and liabilities are included in the statement of financial 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 profit 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 comparative 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 achieve diversification in the various types of insurance risk as well as to achieve a sufficiently large insurance portfolio within each category, so that the variance in the expected result is reduced.

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 2022, the claims provisions amounted to NOK 6,544 million for own account. The duration of the provisions, that is, the average duration of provisions being settled to clients, was 3.4 years at 31 December 2022. 1 %-point increases in inflation will result in a growth in claims provisions of NOK 221 million. The table below shows how future cash flow is related to provisions for outstanding claims for own account at 31 December 2022.

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.

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.

The table below shows how total claims in Protector Forsikring develop over time.

CASH FLOW CONNECTED TO CLAIMS PROVISIONS FOR OWN ACCOUNT

	Future cash flow related to claims incurred					
[1.000 NOK] At 31. December 2022		0 - 5 years	6 - 10 years	11 - 15 years	16 - 20 years	More than 20 years
Claims provisions for own account	6 544 511	5 020 133	1 049 973	355 467	62 127	56 811

GROSS CLAIMS DEVELOPMENT

[1.000 NOK]	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
2013	1 157 525										1 157 525
2014	1 144 521	1 435 072									2 579 593
2015	1 145 918	1 400 422	1 793 811								4 340 151
2016	1 124 848	1 447 439	1 744 304	2 288 759							6 605 350
2017	1 087 996	1 390 333	1 722 230	2 359 937	3 554 617						10 115 112
2018	1 074 835	1 353 262	1 708 699	2 341 456	3 483 932	3 882 631					13 844 815
2019	1 065 100	1 330 017	1 728 158	2 410 805	3 505 709	3 991 883	4 318 733				18 350 405
2020	1 066 438	1 379 293	1 798 728	2 551 554	3 535 339	4 104 664	4 329 862	4 018 661			22 784 539
2021	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		26 804 902
Estimated amount as at 31.12.2022	1 050 027	1 385 914	1 858 490	2 534 408	3 605 280	4 237 260	4 409 109	3 955 797	3 876 315	4 826 144	31 738 743
Total disbursed	984 108	1 229 023	1 588 252	2 079 662	2 753 871	3 499 600	3 401 795	2 858 594	2 538 180	1 899 140	22 832 225
Provisions for claims	65 919	156 891	270 238	454 746	851 409	737 660	1 007 314	1 097 203	1 338 135	2 927 004	8 906 518
Provisions for claims from claims prior years (before 2013)											63 454
Provision for indirect claims handling costs (ULAE)											417 138
Total provisions for claims											9 387 110

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)	2022	2021
1 % change in insurance-related operating expenses	5 477	4 876
1 % change in claims incurred	45 340	38 101
1 % - point change in combined ratio	57 146	49 207
1 % - point change in inflation	221 081	197 388

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 2022	Less than one year	1 - 3 years	More than 3 years	Total cash flow	Total carrying amount
Subordinated loan capital*)	85 730	670 155	810 467	1 566 352	1 244 711
Foreign exchange derivatives	54 806			54 806	54 806
Liabilities	3 028 821			3 028 821	3 028 821
Total financial liabilities	**3 169 357**	**670 155**	**810 467**	**4 649 980**	**4 328 338**

*)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 305.7 million before tax.
This corresponds to an interest rate sensitivity of approximately 2.5 per cent, and includes the use of interest rate swaps.

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.

Credit Risk

Rating	Investments allocated per rating category	
[1.000 NOK]	2022	2021
Bonds and other fixed-income securities		
AAA	3 065 587	3 423 642
AA	546 490	186 161
A	872 037	470 341
BBB	661 554	435 861
BB	323 679	67 538
B	34 543	
No rating	4 849 613	3 670 970
Total bond by rating	**10 353 503**	**8 254 514**
Bond fund not managed by Protector	1 014 119	1 721 257
Total bonds and other fixed-income securities	**11 367 622**	**9 975 771**
Bank deposits related to investment portfolio		
AA	220 702	422 622
A	531 269	1 264 254
BBB		65 646
No rating	129 327	350 978
Total bank deposits related to investment portfolio	**881 299**	**2 103 501**

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 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]	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Gross written premiums[1]	1 610 121	1 415 046	2 072 621	1 820 477	1 077 187	918 677	2 115 676	1 618 145	222 177	178 227	7 097 782	5 950 571
Gross premiums earned	1 578 766	1 398 303	1 942 060	1 749 251	1 038 309	880 189	1 770 808	1 460 516	211 092	257 817	6 541 036	5 746 076
Gross claims incurred	(1 335 143)	(1 088 567)	(1 410 609)	(1 038 146)	(970 797)	(904 643)	(1 284 873)	(1 237 627)	(182 770)	(199 414)	(5 184 191)	(4 468 397)
Earned premiums, net of reinsurance	1 434 441	1 245 353	1 730 095	1 512 322	929 937	761 435	1 427 074	1 170 932	193 048	230 694	5 714 595	4 920 737
Other insurance-related income	4 270	3 978	359	367	136	532	5 635	2 183	1 456	1 656	11 856	8 716
Claims incurred, net of reinsurance	(1 201 203)	(1 021 827)	(1 298 162)	(949 203)	(807 927)	(631 268)	(1 059 557)	(1 027 591)	(167 159)	(180 174)	(4 534 008)	(3 810 063)
Sales costs	(45 723)	(56 598)	(160 715)	(138 470)	(26 549)	(26 990)	(148 264)	(135 456)	(5 337)	(4 151)	(386 588)	(361 665)
Administration costs	(52 879)	(49 020)	(81 653)	(75 851)	(46 287)	(46 935)	(75 981)	(74 629)	(5 965)	(10 179)	(262 765)	(256 615)
Commission from reinsurers	19 657	16 501	36 684	59 961	9 614	21 061	33 814	28 107	1 891	5 071	101 659	130 701
Other insurance-related expenses	(13 451)	(14 868)	(780)	788	(22 384)	(13 816)	(5 528)	(8 386)	(3 005)	(1 129)	(45 150)	(37 410)
Technical result	**145 112**	**123 519**	**225 827**	**409 916**	**36 539**	**64 020**	**177 194**	**(44 841)**	**14 928**	**41 787**	**599 599**	**594 401**
Other income/expenses	(64 794)	(57 680)	(569)	(788)	236	27	633	2 084	(96)	(31)	(64 590)	(56 388)
Net financial income	437 335	758 345	16 999	98 894	(11 382)	(1 430)	39 708	6 365	(5 666)	16 151	476 993	878 325
Profit before tax	**517 652**	**824 184**	**242 258**	**508 021**	**25 392**	**62 618**	**217 535**	**(36 392)**	**9 166**	**57 906**	**1 012 002**	**1 416 338**
Claims ratio, net of reinsurance[1]	83.7 %	82.1 %	75.0 %	62.8 %	86.9 %	82.9 %	74.2 %	87.8 %	86.6 %	78.1 %	79.3 %	77.4 %
Expense ratio, net of reinsuranc[1]	5.5 %	7.2 %	11.9 %	10.2 %	6.8 %	6.9 %	13.3 %	15.5 %	4.9 %	4.0 %	9.6 %	9.9 %
Combined ratio, net of reinsurance[1]	**89.2 %**	**89.2 %**	**86.9 %**	**73.0 %**	**93.7 %**	**89.8 %**	**87.6 %**	**103.3 %**	**91.5 %**	**82.1 %**	**88.9 %**	**87.3 %**
Claims ratio gross[1]	84.6 %	77.8 %	72.6 %	59.3 %	93.5 %	102.8 %	72.6 %	84.7 %	86.6 %	77.3 %	79.3 %	77.8 %
Cost ratio gross[1]	6.2 %	7.6 %	12.5 %	12.3 %	7.0 %	8.4 %	12.7 %	14.4 %	5.4 %	5.6 %	9.9 %	10.8 %
Combined ratio gross[1]	**90.8 %**	**85.4 %**	**85.1 %**	**71.6 %**	**100.5 %**	**111.2 %**	**85.2 %**	**99.1 %**	**91.9 %**	**82.9 %**	**89.2 %**	**88.5 %**

[1] Defined as alternative performance measure (APM). APMs are described on www.protectorforsikring.no in document named APMs Protector Forsikring 2022.

[2] Does not include discontinued operations (change of ownership).

NOTE 6 PREMIUMS AND CLAIMS

[1.000 NOK]	General insurance										Life insurance	
	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	215 856	140 586	347 492	792 758	1 631 284	15 675	2 940 135	641 643	1 580	**6 727 009**	370 773	**7 097 782**
Reinsurers' share of gross premiums written	(34 292)	(14 359)	(27 861)	(95 694)	(118 072)	(1 233)	(413 945)	(123 462)	(128)	**(829 045)**	(37 997)	**(867 043)**
Premiums written for own account	181 564	126 227	319 632	697 063	1 513 212	14 442	2 526 190	518 181	1 452	**5 897 964**	332 775	**6 230 739**
PREMIUM EARNED												
Gross premiums earned	203 890	138 955	340 703	759 741	1 475 902	15 413	2 670 412	572 816	1 599	**6 179 431**	361 606	**6 541 036**
Reinsurers' share of gross premiums earned	(25 013)	(12 572)	(27 861)	(95 694)	(118 072)	(1 233)	(389 342)	(123 020)	(128)	**(792 934)**	(33 507)	**(826 441)**
Premiums earned for own account	178 878	126 383	312 842	664 046	1 357 830	14 180	2 281 070	449 797	1 472	**5 386 497**	328 098	**5 714 595**
CLAIMS												
Gross claims incurred	133 841	148 714	511 397	750 975	1 014 089	5 097	1 811 762	509 417	932	**4 886 225**	297 967	**5 184 191**
Reinsurers' share of gross claims incurred	(13 328)	(15 771)	(154 419)	(100 069)	(86 602)	(408)	(143 077)	(109 249)	(75)	**(622 997)**	(27 186)	**(650 183)**
Claims incurred, net of reinsurance	120 513	132 943	356 978	650 906	927 487	4 690	1 668 686	400 167	858	**4 263 228**	270 781	**4 534 008**
GROSS CLAIMS INCURRED												
Occurred this year	184 409	132 005	321 705	722 568	1 039 107	6 996	1 949 845	464 156	1 437	**4 822 227**	312 168	**5 134 396**
Occurred previous years	(50 568)	16 709	189 692	28 407	(25 018)	(1 898)	(138 082)	45 260	(504)	**63 997**	(14 202)	**49 796**
Total for the accounting year	133 841	148 714	511 397	750 975	1 014 089	5 097	1 811 762	509 417	932	**4 886 225**	297 967	**5 184 191**
CLAIMS INCURRED NET OF REINSURANCE												
Occurred this year	166 300	120 306	295 621	657 720	955 980	6 436	1 778 893	401 884	1 322	**4 384 462**	283 263	**4 667 725**
Occurred previous years	(45 787)	12 637	61 356	(6 814)	(28 493)	(1 746)	(110 207)	(1 717)	(464)	**(121 234)**	(12 482)	**(133 717)**
Total for the accounting year	120 513	132 943	356 978	650 906	927 487	4 690	1 668 686	400 167	858	**4 263 228**	270 781	**4 534 008**
TECHNICAL PROVISIONS GROSS												
Provisions for unearned premiums	36 507	37 819	(116 595)	276 224	479 140	4 242	1 076 990	253 733	25	**2 048 084**	63 703	**2 111 786**
Provisions for claims	344 302	660 271	3 093 488	1 404 719	298 944	7 975	1 673 247	1 766 585	607	**9 250 138**	136 973	**9 387 111**
Technical provisions gross	380 809	698 089	2 976 893	1 680 943	778 083	12 217	2 750 237	2 020 318	632	**11 298 221**	200 676	**11 498 897**
TECHNICAL PROVISIONS NET OF REINSURANCE												
Provisions for unearned premiums	24 612	33 048	(107 268)	254 126	440 808	3 902	958 853	223 126	23	**1 831 232**	54 498	**1 885 730**
Provisions for claims	311 488	576 643	1 366 815	1 167 445	275 028	7 337	1 520 001	1 194 773	558	**6 420 090**	124 422	**6 544 511**
Technical provisions net of reinsurance	336 101	609 691	1 259 547	1 421 571	715 837	11 240	2 478 855	1 417 899	582	**8 251 322**	178 920	**8 430 241**

[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 2022.

NOTE 7 INTANGIBLE ASSETS

[1.000 NOK]	2022	2021
Costs as at 01.01.	190 773	157 255
Convention difference	(170)	(401)
Additions	35 286	33 919
Scrapping	(711)	
Costs as at 31.12	**225 179**	**190 773**
Accumulated depreciation at 01.01	**(113 308)**	**(99 361)**
This year's depreciation	(13 711)	(14 282)
Currency difference	170	335
Scrapping	711	
Accumulated depreciation at 31.12	**(126 139)**	**(113 308)**
Intangible assets connected to discontinued operations	**3 096**	**4 128**
Net book value as at 31.12	**95 944**	**73 336**

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	2022	2021
Cost as at 01.01	52 866	23 198	216	76 280	80 826
Currency difference	20	203		223	(734)
Additions	7 651	817		8 468	18 897
Scrapping				-	(22 708)
Cost as at 31.12	**60 537**	**24 218**	**216**	**84 971**	**76 280**
Accumulated depreciation at 01.01	**(30 027)**	**(12 260)**		**(42 287)**	**(50 382)**
Currency difference	(19)	(41)		(60)	499
This year's depreciation	(10 772)	(2 882)		(13 654)	(15 112)
Scrapping				-	22 707
Accumulated depreciation at 31.12	**(40 817)**	**(15 183)**	**-**	**(56 000)**	**(42 287)**
Net book value as at 31.12	**19 720**	**9 035**	**216**	**28 971**	**33 994**

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 31.12.22	Fair value 31.12.22	Book value 31.12.21	Fair value 31.12.21
Shares in associated companies	-	-	138 377	174 128
Shares	2 647 676	2 647 676	1 982 711	1 982 711
Bonds and other fixed-income securities	11 367 622	11 367 622	9 975 771	9 975 771
Financial derivatives	68 994	68 994	102 300	102 300
Bank deposits related to investments	881 299	881 299	2 103 501	2 103 501
Total financial assets at fair value through profit or loss	**14 965 590**	**14 965 590**	**14 302 660**	**14 338 410**
Financial assets discontinued operations	705 018	705 018	1 141 891	1 144 745
Financial assets continued operations	14 260 572	14 260 572	13 160 769	13 193 665
Financial derivatives	54 806	54 806	26 146	26 146
Total financial liabilities at fair value through profit or loss	**54 806**	**54 806**	**26 146**	**26 146**

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

SHARES

[1.000 NOK]	Currency	Fair value	Identification no. Norwegian companies
FBD Holdings PLC	EUR	371 792	
Elanders AB Class B	SEK	276 038	
B3 Consulting Group AB	SEK	222 202	
eWORK Group AB	SEK	200 401	
VBG GROUP AB ser. B	SEK	188 908	
BankNordik P/F	DKK	184 509	
Danske Bank A/S	DKK	159 756	
Schouw & Co. A/S	DKK	140 294	
Jyske Bank A/S	DKK	131 543	
Indus Holding AG	EUR	125 041	
Duni AB	SEK	109 579	
Lassila And Tikanoja	EUR	87 402	
Columbus A/S	DKK	77 172	
Kindred Group plc	SEK	76 789	
Axxelerator	NOK	39 257	
Projektengagemang Sweden AB ser. B	SEK	35 691	
Solid Försäkringsaktiebolag	SEK	35 422	
Brdr.Hartmann A/S	DKK	29 289	
Zalaris ASA	NOK	29 249	981 953 134
NRC Group ASA	NOK	26 951	910 686 909
Webstep ASA	NOK	24 800	996 394 638
SAF Holland SA	EUR	17 396	
Amsterdam Commodities N.V.	EUR	15 472	
Scanfil Oyj	EUR	14 165	
Christian Berner Tech Trade AB	SEK	9 906	
Verkkokauppa.com Oyj	EUR	9 687	
Innofactor PLC	EUR	4 928	
Westwing Group AG	EUR	3 985	
Forsikringsakademiet	DKK	52	
Total shares		**2 647 676**	

The share portfolio consist of shares listed on the stock exchange in Norway, Sweden, Denmark, Finland, Ireland and Canada. Forsikringsakademiet is not listed and Axxelerator which is a PE-fond. 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.	2 475 577	1.76
Corporate bonds etc.	7 877 926	1.54
Bond fund	1 014 119	2.08
Total bonds and other fixed-income securities year 2022[1]	**11 367 622**	**1.64**
- of this, subordinated loan capital in other companies 2022	176 955	0.91
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

[1] Exclusive renteswaps
Average yield adjusted for currency hedging effect is 6.0 %. 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	368 088	2 240 278	**39 309**	**2 647 676**
Bonds and other fixed-income securities		11 258 492	109 130	11 367 622
Bank deposits	881 299			881 299
Derivatives:				
Interest rate swaps		6 287		6 287
Foreign exchange contracts		43 428		43 428
Options		19 279		19 279
Total assets year 2022	**1 249 387**	**13 567 764**	**148 440**	**14 965 590**
Total assets year 2021	2 606 444	11 557 839	-	14 164 283

[1.000 NOK] Financial liabilities at fair value through profit or loss	Level 1	Level 2	Level 3	Total
Foreign exchange contracts		(54 806)		(54 806)
Total financial liabilities year 2022	**-**	**(54 806)**	**-**	**(54 806)**
Total financial liabilities year 2021	-	(26 146)	-	(26 146)

[1.000 NOK] Financial liabilities at amortized cost	Level 1	Level 2	Level 3	Total fair value	Total book value
Subordinated loan capital		(1 244 711)		(1 244 711)	(1 244 711)
Total financial liabilities year 2022		**(1 244 711)**		**(1 244 711)**	**(1 244 711)**
Total financial liabilities year 2021		(1 384 664)		(1 384 664)	(1 384 668)

NOTE 10 RECEIVABLES

[1.000 NOK]	2022	2021
Receivable tax	175	17 821
External claims handlers	21 358	37 845
Other receivables	8 002	39 591
Total	**29 535**	**95 258**

NOTE 11 RESTRICTED BANK DEPOSITS

[1.000 NOK]	2022	2021
Restricted bank deposits in connection with claims settlement	768	-
Employee withholding tax	8 394	8 769
Total	**9 161**	**8 769**

NOTE 12 PREPAID EXPENSES AND DEFERRED INCOME

[1.000 NOK]	2022	2021
Prepaid expenses	197 676	218 579
Accrued non-invoiced premium	500 029	243 955
Total	**697 705**	**462 534**

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 31.12.2022.			

List of the 20 major shareholders at 31.12.2022	No.of shares	Ownership share in percent
Awc AS	11 053 448	13.4 %
Stenshagen Invest AS	7 526 353	9.1 %
Citibank Europe plc	4 456 162	5.4 %
Verdipapirfond Odin Norden	4 261 885	5.2 %
Verdipapirfondet Alfred Berg Gambak	3 836 334	4.7 %
Clearstream Banking S.A.	2 840 216	3.4 %
Hvaler Invest AS	2 038 610	2.5 %
Mp Pensjon Pk	1 833 301	2.2 %
Artel AS	1 800 000	2.2 %
Vevlen Gård AS	1 550 000	1.9 %
Utmost Paneurope Dac	1 456 119	1.8 %
Pershing LLC	1 266 463	1.5 %
Danske Bank A/S	1 217 123	1.5 %
State Street Bank And Trust Comp	1 011 257	1.2 %
State Street Bank And Trust Comp	995 464	1.2 %
Verdipapirfondet Alfred Berg Aktiv	955 638	1.2 %
Johan Vinje AS	937 841	1.1 %
Avanza Bank AB	931 035	1.1 %
Verdipapirfondet Alfred Berg Norge	834 371	1.0 %
AAT Invest AS	800 000	1,0 %
Total	**51 601 620**	**62.5 %**
Protector Forsikring ASA	122 551	0.1 %
Other shareholders	30 775 829	37.3 %
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 31.12.2022	Identification	No.of shares	Ownership share in percent
Reeco AS	Deputy Chairman, Arve Ree	709 917	0.9 %
Alsøy Invest AS	Chairman of the Board, Jostein Sørvoll	502 751	0.6 %
Ditlev de Vibe Vanay	Chief Financial Officer	276 249	0.3 %
Hans Didring	Deputy CEO	282 236	0.3 %
Henrik Golfetto Høye	CEO	240 926	0.3 %
Steel City AS	Board member, Kjetil Andreas Garstad	206 706	0.3 %
Dag Marius Nereng	Chief Investment Officer	108 383	0.1 %
Øvre Gjøvik Gård AS	Deputy Chairman, Arve Ree	90 061	0.1 %
Christoffer Skyrud	Deputy employees' representative	19 331	0.0 %
Leonard Bijl	IT Director	11 439	0.0 %
Kjetil Andreas Garstad	Board member	9 684	0.0 %
Cathrine Wessel Poulsen	Deputy employees' representative	5 456	0.0 %
Fredrik Landelius	Country Manager Sverige	5 031	0.0 %
Stuart Winter	Country Manager UK	4 342	0.0 %
Tonje Svartberg Giertsen	Employees' representative	3 200	0.0 %
Anders Blom Monberg	Country Manager Denmark	2 784	0.0 %
Mathews Ambalathil	Employees' representative	1 187	0.0 %
Total		**2 479 683**	**3.0 %**

NOTE 14 PENSIONS

Protector Forsikring is obliged to have an occupational pension scheme in accordance with the Mandatory Occupational Pension Act. The company's pension schemes meet the requirements of the law. The company only has defined contribution pension schemes for its employees. The cost amounts to NOK 28.6 million in 2022.

In Norway, the contribution pension premium is 5 % of salary between 0 and 7.1 G (G=basic amount in national insurance) and 8 % of salary between 7.1 and 12 G. In Sweden, the rates are 5.5 % of salary up to 7.5 income base amount (SEK 71,000 in 2022) and 31.3 % of salary beyond this. In Denmark, the rate is 15 % of salary, in Finland 17.65 % of salary and in the UK between 4 % and 15 % of salary.

NOTE 15 TAXES

[1.000 NOK]	2022	2021
THIS YEAR'S TAXES ARE DIVIDED BETWEEN		
Payable tax	226 133	271 744
Correction previous years	3 212	(12 007)
Change in deferred tax	(78 811)	(2 890)
Tax discontinued operations	(5 056)	14 569
Total tax continued operations	**155 590**	**242 278**

Computation of this years tax		
Profit before tax	1 004 426	1 498 335
Other comprehensive income	(44 414)	(37 515)
Permanent differences	(260 780)	(483 181)
Changes in temporary differences	315 327	11 560
Basis for the tax expense of the year	1 014 559	989 199
Payable tax 25 %	253 640	247 300
Payable tax foreign operations	(27 507)	24 444
Payable tax from previous years	3 212	(12 007)
Payable tax	229 346	259 737

Temporary differences	**2022**	**2021**	**Changes**
Fixed assets	(4 680)	(3 579)	1 101
Receivables	(95)	(897)	(803)
Gain and loss account	1 079	1 264	185
Financial assets	(117 445)	138 870	256 315
Technical provisions	292 224	350 669	58 445
Net temporary differences	**171 083**	**486 326**	**315 243**
Deferred tax 25 %	42 771	121 582	(78 811)
Deferred tax/ deferred tax assets in the balance sheet	(42 771)	(121 582)	78 811

RECONCILIATION OF TAX		
[1.000 NOK]	2022	2021
Profit before taxes 25 %	251 106	374 584
Permanent differences 25 %	(65 195)	(120 795)
Corrected tax previous years	3 234	(12 007)
Net paid tax for companies abroad	(27 507)	24 444
Calculated tax	**161 638**	**266 226**
Tax on other comprehensive income	(11 103)	(9 379)
Total tax according to income statement	**150 535**	**256 847**
Tax discontinued operations	(5 056)	14 569
Total tax continued operations	**155 590**	**242 278**

NOTE 16 OTHER LIABILITIES

[1.000 NOK]	2022	2021
Payables, operations	45 233	41 043
Payables, claims	62 292	32 341
Liabilities in connection to direct insurance	107 525	**73 384**
Reinsurance yet to be settled	2 094 968	2 238 317
Liabilities in connection to reinsurance	2 094 968	**2 238 317**
Allocation of employers contribution	12 121	11 403
Advance tax deduction	11 896	12 372
Other liabilities	247 160	262 783
Other liabilities	**271 176**	**286 557**
Financial derivatives	54 806	26 146
Total liabilities	**2 528 475**	**2 624 404**

The company has no secured liabilities.

NOTE 17 INCURRED EXPENSES AND DEFERRED INCOME

[1.000 NOK]	2022	2021
Bonus	216 896	209 931
Accrued vacation pay	33 074	30 890
Deferred income	219 991	230 790
RTV tax	78 791	46 019
Other accrued expenses	6 400	11 287
Total	**555 152**	**528 917**

NOTE 18 SALES EXPENSES

[1.000 NOK]	2022	2021
Internal payroll expenses	129 960	139 729
Commissions	256 628	221 935
Total	**386 588**	**361 665**
in % of gross earned premium	5.9 %	6.1 %

NOTE 19 INSURANCE-RELATED ADMINISTRATIVE EXPENSES

[1.000 NOK]	2022	2021
Depreciations	27 309	29 498
Salary- and pensions costs (note 20)	544 227	594 521
Office costs	42 188	41 223
Remunerations	34 703	24 348
Claims handling costs (transferred to gross claims paid)	(311 470)	(301 723)
Internal sales expenses	(129 960)	(139 729)
Internal administrative costs	(35 119)	(66 511)
Other insurance-related administrative expenses	90 888	74 988
Total	**262 765**	**256 615**

[1.000 NOK] **Auditing remuneration**	2022	2021
Auditing (inclusive VAT)	2 259	1 335
Other certification services (including VAT)	19	27
Services regarding tax (inclusive VAT)	452	62
Other services outside auditing (inclusive VAT)	94	879
Total	**2 824**	**2 304**

NOTE 20 LABOUR EXPENSES, PENSIONS, NUMBER OF EMPLOYEES

[1.000 NOK]	2022	2021
Salaries	342 869	332 190
Bonus	51 851	124 449
Fees to the Board of Directors, Compensation Committee, Nomination Committee, Audit Committee	3 199	2 995
Defined benefit pension costs	-	925
Defined contribution pension costs[1]	28 632	27 276
Social security tax	82 325	82 744
Other payments	35 352	23 943
Total	**544 227**	**594 521**

[1] See note 14 for more information

Number of employees	2022	2021
Number of employees at 31.12.	436.0	411.0
Number of man-labour years at 31.12.	424.3	400.0
Average number of employees at 31.12.	426.9	415.8
Average number of man-labour years at 31.12.	414.4	406.9

NOTE 21 REMUNERATIONS TO SENIOR EXECUTIVES

[1.000 NOK]	Salaries	Variable pay[2]	Other remu-nerations[1]	Paid-up pension premium	Total remune-rations
Senior executives					
Henrik Golfetto Høye, CEO	5 433	3 434	73	80	9 020
Hans Didring, Deputy CEO	4 151	4 824	69	437	9 481
Ditlev de Vibe Vanay, CFO	3 358	1 647	3	78	5 085
Leonard Bijl , IT director	2 875	1 380	72	78	4 405
Dag Marius Nereng, CIO	3 577	5 886	114	79	9 657
Lars Krisitiansen, Country Manager Norway	2 048	190	1	78	2 317
Fredrik Landelius, Country Manager Sweden	1 888	946	8	542	3 384
Anders Blom Monberg, Country Manager Denmark	2 677	102	72	261	3 111
Stuart Winter, Country Manager UK	2 999	1 129	22	403	4 552
Total	**29 006**	**19 538**	**432**	**2 036**	51 012

	Long-term bonus scheme		
[1.000 NOK]	Number of synthetic shares allocated in 2022	Number of synthetic shares paid out in 2022	Holdings of synthetic shares as of 31.12.2022
Senior executives			
Henrik Golfetto Høye, CEO	15 744	27 829	62 861
Hans Didring, Deputy CEO	22 175	36 855	83 685
Ditlev de Vibe Vanay, CFO	14 423	13 875	38 714
Leonard Bijl , IT-Director	11 694	11 833	30 808
Dag Marius Nereng, CIO	60 513	-	84 950
Lars Krisitiansen, Country Manager Norway	4 324	1 704	5 976
Fredrik Landelius, Country Manager Sweden	8 142	7 618	18 996
Anders Blom Monberg, Country Manager Denmark	4 298	860	3 439
Stuart Winter, Country Manager UK	3 427	9 014	23 308
Total	**144 741**	**109 587**	**352 736**

[1] Other remunerations comprises of telephone, insurance and other contractual benefits.
[2] 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 website www.protectorforsikring.no.

[1.000 NOK] [1]	Remunerations[1]
The Board	
Jostein Sørvoll, Chairman of the Board	663
Arve Ree, Deputy Chairman	568
Else Bugge Fougner, Board member	395
Kjetil Andreas Garstad, Board member	473
Randi Helene Røed, Board member	513
Mathews Ambalathil, Employees' representative	170
Line Kokkim, Employees' representative (May 2021 - April 2022)	156
Kristine Røkeberg Nilsen, Employees' representative (April 2021)	14
Total	**2 950**
Nomination Committee	
Per Ottar Skaaret, Chairman	40
Andreas Mørk, member	30
Eirik Ronold Mathisen, member	30
Total	**100**

[1] Remunerations paid out in accounting year 2022.
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]	2022	2021
Net financial income from financial assets		
Income from investments in associated companies	21 133	11 766
Interest income	365 726	208 947
Dividend shares	114 642	151 494
Unrealised gains/losses on financial assets	(128 861)	(23 724)
Gains/losses from realisation of financial assets	164 002	674 441
Administrations expenses on financial assets	(36 066)	(68 390)
Net financial income	**500 575**	**954 534**
Financial income discontinued operations	23 582	76 208
Financial income continued operations	476 993	878 325

NET FINANCIAL INCOME DIVIDED BY ASSET CLASS

Income from investments in associated companies	21 133	11 766
Interest income from financial assets at fair value through profit or loss	365 582	208 947
Dividend	114 786	151 494
Net gains / (loss) from shares	252 274	566 584
Net gains / (loss) from bonds and other fixed-income securities	(111 018)	68 850
Net gains / (loss) from foreign exchange contracts	(106 116)	15 283
Administration expenses	(36 066)	(68 390)
Total net income and gains/ (loss) from financial assets at fair value through profit or loss	**500 575**	**954 534**
Financial income discontinued operations	23 582	76 208
Financial income continued operations	476 993	878 325

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]	2022	2021
Profit for the year assigned to the company's shareholders	809 477	1 203 973
Weighted average number of shares	82 351 250	82 351 250
Earnings per share	**9.83**	**14.62**
Earnings per share continued operations [1.000 NOK]	**2022**	**2021**
Profit for the year assigned to the company's shareholders	811 998	1 136 554
Weighted average number of shares	82 351 250	82 351 250
Earnings per share	**9.86**	**13.80**

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 31.12.2022.

Available and eligible own fund

[1.000 NOK]	2022	2021
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	3 803 543	2 792 448
Tier 1 - restricted	347 996	493 348
Tier 2	941 503	1 008 445
Total basic own funds	**5 093 042**	**4 294 241**
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 75 % (65 %) of the total capital. Tier 1 restricted capital constituted 7 %(11 %). Tier 2 capital constituted 18 % (23 %). The company has no Tier 3 capital.		
AVAILABLE OWN FUNDS TO MEET THE SOLVENCY CAPITAL REQUIREMENT (SCR)		
Tier 1 - unrestricted	3 803 543	2 792 448
Tier 1 - restricted	347 996	493 348
Tier 2	941 503	1 008 445
Total available own funds to meet SCR	**5 093 042**	**4 294 241**
AVAILABLE OWN FUNDS TO MEET THE MINIMUM CAPITAL REQUIREMENT (MCR)		
Tier 1 - unrestricted	3 803 543	2 792 448
Tier 1 - restricted	347 996	493 348
Tier 2	941 503	1 008 445
Total available own funds to meet the MCR	**5 093 042**	**4 294 241**
ELIGIBLE OWN FUNDS TO MEET THE SOLVENCY CAPITAL REQUIREMENT (SCR)		
Tier 1 - unrestricted	3 803 543	2 792 448
Tier 1 - restricted	347 996	493 348
Tier 2	941 503	1 008 445
Total eligible own funds to meet the SCR	**5 093 042**	**4 294 241**
ELIGIBLE OWN FUNDS TO MEET THE MINIMUM CAPITAL REQUIREMENT (MCR)		
Tier 1 - unrestricted	3 803 543	2 792 448
Tier 1 - restricted	347 996	493 348
Tier 2	235 121	187 295
Total eligible own funds to meet the MCR	**4 386 661**	**3 473 092**

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

SOLVENCY CAPITAL REQUIREMENT (SCR)	2022	2021
Market risk	1 379 139	971 189
Counterparty default risk	77 358	93 718
Lifeinsurance risk	767	1 074
Health underwriting risk	672 273	637 567
Non-life underwriting risk	2 070 217	1 653 398
Diversification	(1 237 119)	(1 025 436)
Basic Solvency Capital Requirement	2 962 635	2 331 511
Operational risk	283 738	261 105
Loss-absorbing capacity of deferred taxes	(633 914)	(511 555)
Total solvency capital requirement	**2 612 459**	**2 081 060**

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]	2022	2021
MINIMUM CAPITAL REQUIREMENT (MCR)		
Linearly calculated MCR	1 206 215	1 076 252
Upper limit for MCR	1 175 606	936 480
MCR floor	653 115	520 267
Combined MCR	1 175 606	936 480
Absolute floor of the MCR	41 211	36 073
Minimum capital requirement	**1 175 606**	**936 480**

Minimum capital requirement is calculated using standard formula with a 85 % 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	**195 %**	**206 %**
RATIO OF ELIGIBLE OWN FUNDS TO MCR	**373 %**	**371 %**

The difference between the balance sheet and the Solvency II-balance mainly due to:

- Insurance liabilities are discounted in Solvency II, while they are not discounted in the accounts.
- In the accounts, the premium provisions correspond to unearned premiums, while in the Solvency II regulations, the premium provisions are the present value of future cash flows for unexpired risk for contracts within the contract's limit.
  Unearned premiums are therefore multiplied by the expected future combined ratio with deductions for expected profits in future premiums before discounting.
- A risk margin is included in the insurance technical provisions in accordance with Solvency II principles, but not in accordance with accounting principles.
- The guarantee scheme is classified as a liability under Solvency II, while it is considered equity according to accounting principles.
- Different valuation of deferred tax due to differences between accounting values and Solvency II values.

NET TECHNICAL PROVISIONS[1]	BOOK VALUE	SOLVENCY II
Premium provisions	1 885 730	1 146 217
Claims provisions	6 791 940	6 031 889
Risk margin		525 236
Total assets	**8 677 670**	**7 703 342**

[1]Including discontinued operations (COI)

NOTE 25 SUBORDINATED LOAN CAPITAL

The company has three subordinated loans at MNOK 500, MNOK 350 and 400 MNOK. Subordinated loan capital is classified as a liability in the balance sheet and is measured at amortised cost.

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	16.02.2020
Due date	16.02.2050
Callable	Yes

SUBORDINATED LOAN MNOK 350

Name	Protector Forsikring ASA 21/PERP FRN C HYBRID
Ticker	PROTCT06
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

SUBORDINATED LOAN MNOK 400

Name	Protector Forsikring ASA 22/52 FRN C SUB
Ticker	PROTCT07
ISIN	NO0012442278
Nominal value	MNOK 400
Interest rate	3-month NIBOR + 275 bp p.a.
Issue date	21.12.2022
Due date	21.12.2052
Callable	Yes

NOTE 26 CONTINGENT LIABILITIES

Protector has no contingent liabilities at 31.12.2022.

NOTE 27 DISCONTINUED OPERATIONS

Protector decided in 2018 to exit the COImarket. 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.

From 1 January 2022, the new Disposal Act (Avhendingsloven) came into force and the company no longer writes change of ownership insurance.

Income statement		
[1.000 NOK]	**2022**	**2021**
PREMIUM INCOME		
Gross premiums earned	2 571	188 736
Reinsurers' share of earned premiums	(218)	(18 822)
Earned premiums, net of reinsurance	2 352	169 914
CLAIMS		
Gross claims incurred	(43 285)	(202 182)
Reinsurers' share of claims incurred	18 804	47 456
Claims incurred, net of reinsurance	(24 481)	(154 726)
OPERATING EXPENSES	**(1 929)**	**1 239**
Other insurance related income/expences	**(3 904)**	**(5 631)**
Technical result	**(27 961)**	**10 795**
Total net financial income	23 582	76 208
Other income/expenses	**(3 197)**	(5 015)
Non-technical result	**20 385**	**71 194**
Profit before tax	(7 576)	81 989
Tax	5 056	(14 569)
Profit from discontinued operations	**(2 521)**	**67 419**

Earnings per share discontinued operations		
[1.000 NOK]	2022	2021
Profit for the year assigned to the company's shareholders	(2 521)	67 419
Weighted average number of shares	82 351 250	82 351 250
Earnings per share	(0.03)	0.82

Assets discontinued operations		
[1.000 NOK]	2022	2021
Intangible assets	3 096	4 128
Financial assets	705 018	1 141 891
Reinsurers' share of gross technical provisions	169 668	274 003
Receivables	-	24 133
Bank	543	3 892
Assets discontinued operations	878 325	1 448 049

Liabilities discontinued operations		
[1.000 NOK]	2022	2021
Provisions for claims	417 097	636 460
Liabilities related to reinsurance	97 338	197 324
Liabilities discontinued operations	514 435	833 784

NOTE 28 NEW ACCOUNTING STANDARDS FROM 1ST JANUARY 2023

The company will from January 1st 2023 adopt full IFRS. The interim report for the first quartert 2023 will be the first published report according to the new standards. Comparative figures will be revised accordingly .The main change from NGAAP to full IFRS is related to IFRS 17 Insurance Contracts. Other changes in the transition to full IFRS are the implementation of IFRS 9 Financial instruments and IFRS 16 Leases.

IFRS 17 Insurance Contracts
IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of issued insurance contracts and reinsurance contracts held.

Measurement model
Protector Forsikring has decided to use the simplified method, Premium Allocation Approach (PAA) to measure the insurance contracts. Most of Protector's contracts have a coverage period of one year or less. For the contracts where the coverage period is more than one year, Protector has calculated that the liability for remaining coverage not will differ materially from the liability by applying the general measurement model (Building Block Approach), and will therefore also use PAA for those contracts.

Liabilities for insurance contracts consist of liability for remaining coverage (LRC) and liability for incurred claims (LIC). LRC represents liabilities for remaining coverage and replaces premium reserves and provision for unearned premiums, while LIC represents liabilities for claims that have already been incurred and replaces claims provisions.

Asset for reinsurance contracts consist of the assets for remaining coverage (ARC) and the asset for incurred claims (AIC), reinsurers' share of claims that have already incurred.

Reinsurance will be presented separately from gross insurance.

The LRC will be measured at the time of first recognition. The LRC at initial recognition comprises the premiums received upon initial recognition. At the end of each reporting period, the carrying amount of the LRC is the carrying amount at the start of the period plus the premium received during the period, minus the amount recognized as insurance revenue for services provided in that period. LRC corresponds to the provision for unearned premium deducted by premium receivables.

The LIC, comprising the fulfilment cash flows related to past services, is measured according to best estimate of future payments for incurred claims and claims expenses.

Contracts discounting
Pursuant to IFRS 17, LIC should be discounted when payments are expected to take place more than one year after the occurrence of the claim. Protector has decided to discount LIC for all products. Swap rates, which are a well-known market-based yield curve, will be used for the respective currencies.

LRC could also be discounted to reflect the time value of money. This adjustment is not mandatory under PAA. For LRC, most of the premiums are received in the same year as coverage is provided. In addition, a substantial part of the premium is paid monthly or quarterly. This means that the financial component of LRC is very limited, and discounting will therefore not be performed.

Risk adjustment
Risk adjustment (RA) is the compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils insurance contracts.

The reinsurance result will be presented separately from the result from issued insurance contracts in the financial statement.

Protector currently expects that the transition to the new reporting standard IFRS 17 Insurance contracts will not significantly change Protector's financial position. The impact of IFRS 17 is being evaluated and is expected to be concluded in good time before the results for Q1-2023 are reported.

IFRS 9 Financial instrumentes
IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurements. IFRS 9 is based on the concept that financial instruments should be classified and measured at fair value, with changes in fair value recognized in profit or loss as they arise (FVTPL), unless restrictive criteria are met for classifying and measuring the asset at either amortized cost or fair value through other comprehensive income (FVOCI). Protector Forsikring has chosen to measure all financial assets at fair value through profit or loss (FVTPL) and it does not entail any changes in the transition to IFRS 9.

IFRS 16 Leases
IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 requires that the lease liability should initially be measured at the present value of the lease payments that are not paid at the commencement date. The implementation of IFRS 16 is not expected to affect the profit and loss significant, but will have some effect on the balance sheet and classification in the profit and loss statement. The rent is divided into depreciation on the leasing asset and interest on the leasing debt.

DECLARATION BY THE MEMBERS OF THE BOARD AND THE CEO

The Board and the CEO have today processed and approved the Directors' Report and the financial statements for Protector Forsikring ASA for the financial year 2022.

We confirm, to the best of our knowledge, that the financial statements for the period 1st of January to 31st of December 2022 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, March 2nd 2023
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
Mathews Ambalathil	Randi Helene Røed	Tonje Giertsen	Henrik Golfetto Høye (CEO)

AUDITOR'S REPORT

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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 2022, 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 2022 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 6 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 2022, gross provision for

Our audit response
We identified, assessed and tested internal

claims outstanding of MNOK 9 387 were recognised in the accounts for continuing operations, and MNOK 417 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 2022 constitutes MNOK 2 843 for continuing operations, and MNOK 170 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 2022, financial assets measured at fair value constitute MNOK 14 966, of which MNOK 13 716 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 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 the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report or the statement on corporate social responsibility, 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.

- 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, 2 March 2023
ERNST & YOUNG AS

Finn Espen Sellæg
State Authorised Public Accountant (Norway)

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

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 as dividends. 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. Distribution of dividends will be assessed at a solvency margin above 150 %.

With a solvency margin above 200 %, the Board's intention is to over time return surplus capital to the shareholders in the form of additional 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 2023, but no longer than until 30 June 2023. 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 2023, however, so that it expires no later than

30 June 2023. The Board will propose to the Annual General Meeting that the authorization is renewed. At the end of 2022, the company had 122,551 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 2023, however, no later than 30 June 2023. 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 2023, however, no later than 30 June 2023. 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 April 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

The company's Board of Directors shall consist of 5 to 9 members, as further decided by the General Meeting.

The Chairman of the Board and Deputy Chairman are elected by the General Meeting 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 remuneration 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 Remuneration 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 Remuneration 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

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 Remuneration 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.

When presenting 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 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

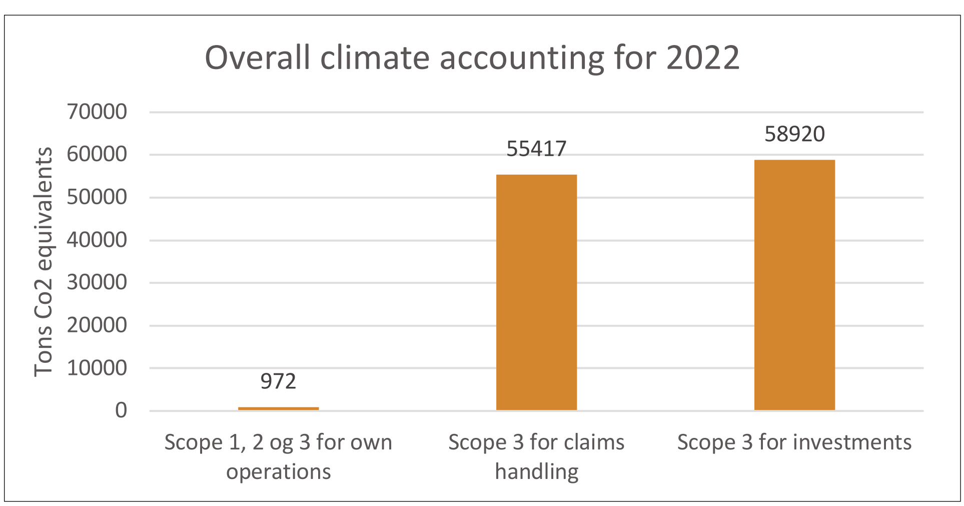
Social responsibility – sustainable development
Protectors most important contribution to society is securing life, assets and relieving our customers of economic risk. The company's corporate social responsibility entails taking care of human rights, a good working life, the climate, the environment and anti-corruption.

In recent years, we have experienced that customers, investors and other stakeholders place increasing emphasis on the environment, social conditions and corporate governance (ESG) in their assessment of Protector. In order to meet the market's and the authorities' expectations, reduce own, customer and investor risks and to support the company's growth ambition, sustainability is part of the company's business strategy.

Strategy and overall status
In order to optimize the company's sustainability efforts, we carried out a materiality analysis to identify possible ESG consequences in our value chain. This was carried out on the basis of key stakeholders' expectations, market development and strategic priorities.

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

In 2022, the company has increased its efforts for sustainability. We have made progress in all focus areas. We have established our first climate account according to the GHG protocol, and signed the UN principles for sustainable insurance (PSI). Our emission in Co2 equivalents for 2022 per million GWP is 16.24. The climate account will be a guideline for our further work on reducing the company's climate footprint.



The company's sustainability report for 2022 will provide further details on the climate accounting.

Protector's ambition is to report in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) reporting standard. Furthermore, we collaborate with the insurance industry to best meet the requirements of the EU taxonomy for sustainable activities.

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

In 2023, Protector will increase the momentum of its sustainability efforts.

PEOPLE

At the end of 2022, the company had 434 permanent employees. Of these, 148 are employed in Norway, 110 are employed in Sweden, 51 are employed in Denmark, 104 are employed in the UK and 21 are employed in Finland.

Absence due to illness in Protector in 2022 was 2.8 %, compared to 2.9 % in 2021 and 1.9 % in 2020. There have been no occupational accidents or occupational injuries during 2022.

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 is 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-today 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. Our learning portal - “Knowledge Hub” - is constantly being developed further. This currently contains approximately 600 modules. 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 programmes. The purpose of the programmes is to develop people who can inspire their teams to perform at their best. We do this through training in management tools, our values and the building of One Team. The programme promotes Protector’s culture, and contributes to the exchange of experience across business areas.

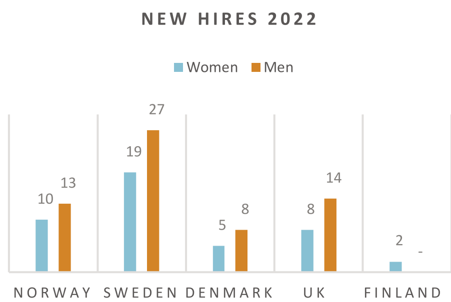
Most professional communities in Protector have weekly experience exchange and feedback sessions. In these, as an example, the most challenging issues one works with are discussed. This is an important means of achieving social learning.

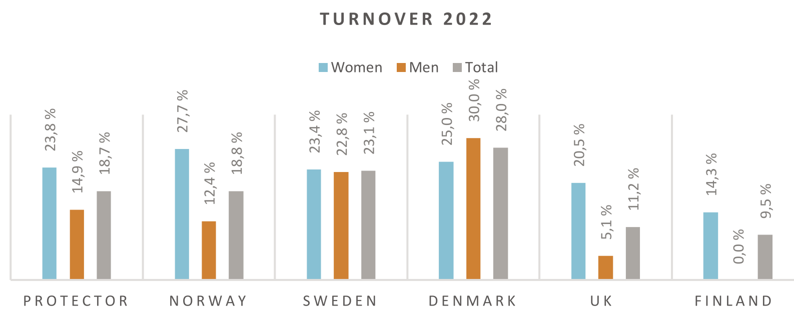
We carry out annual 270 and 360 evaluations, where employees and managers are evaluated on living the company’s values. The purpose of the evaluation is, through strengthening our common culture, to ensure development of each employee and of the company.

Protector has a work environment committee that focuses on a positive working environment in the company. Furthermore, the personnel handbook is continuously revised to better document the employees’ rights and duties.

As an indicator of whether we are an engaging place to work, all employees are encouraged to participate in semi-annual employee satisfaction surveys. This consists of a fixed set of questions, and each employee is asked to give an assessment on a scale from 1 to 10. Protector’s objective is an average evaluation of 8, which is expressed as a score of 80.

We see, for the period we have comparable data, a positive development. The score in spring and autumn 2022 was 75.2 and 75.9 respectively. The overall score is at a good level, but there is still potential for improvement in some departments.





Non-profit organisations

As part of Protector's contribution to creating good societies, the company gives to non-profit organisations. We have a long history of this, including supporting for Friends of Life.

In 2022, we gave our charity a boost. Protector set aside more resources for the purpose, and involved broadly in its own organisation. To ensure that the most relevant organisations were prioritized, Protector's employees in each country were asked to vote on which organisations the company should support.

In total, Protector gave NOK 2.3 million in 2022 to non-profit organisations.

Equality and diversity

All employees shall 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 or belief. This in itself is fundamental for the company. Furthermore, equality and diversity support our performance culture. This enables us to recruit the right people, make best-in-class decisions, innovate and better serve a diverse range of partners and customers.

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.

As part of onboarding, all employees must sign our EDI policy, which informs about our work with diversity, equality and non-discrimination, as well as a declaration that they will contribute to an inclusive working environment.

Status as of 31.12.20212

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	77.0 %	-
Protector Insurance	183	253	42 %	434	70.8 %	77.2 %
Top management	-	9	0 %	9	-	-
Middle management	17	27	39 %	44	94.4 %	91.4 %
Team management	23	34	40 %	57	61.6 %	74.9 %
Employees without managerial responsibilities	143	183	44 %	324	91.1 %	91.6 %
Norway	59	89	40 %	148	60.3 %	69.9 %
Top management	-	5	0 %	5	-	-
Middle management	7	14	33 %	21	106.3 %	95.4 %
Team management	9	18	33 %	27	50.5 %	66.5 %
Employees without managerial responsibilities	43	52	45 %	95	86.6 %	87.8 %
Sweden	49	63	44 %	110	82.2 %	84.9 %
Top management	-	2	0 %	2	-	-
Middle management	3	4	43 %	7	63.4 %	72.5 %
Team management	8	4	67 %	12	101.5 %	99.9 %
Employees without managerial responsibilities	38	53	42 %	89	100.5 %	101.1 %
Denmark	21	30	41 %	51	90.7 %	93.2 %
Top management	-	1	0 %	1	-	-
Middle management	3	3	50 %	6	105.1 %	110.4 %
Team management	1	3	25 %	4	93.3 %	102.6 %
Employees without managerial responsibilities	17	23	43 %	40	98.0 %	99.0 %
UK	40	64	38 %	104	86.7 %	87.4 %
Top management	-	1	0 %	1	-	-
Middle management	3	4	43 %	7	102.7 %	99.4 %
Team management	5	8	38 %	13	115.4 %	115.9 %
Employees without managerial responsibilities	32	51	39 %	83	84.4 %	84.2 %
Finland	14	7	67 %	21	73.7 %	74.1 %
Top management	-	-	-	0	-	-
Middle management	1	2	33 %	3	79.0 %	78.6 %
Team management	-	1	0 %	1	-	-
Employees without managerial responsibilities	13	4	76 %	17	108.3 %	105.8 %

Gender balance		Temporary employment		Part-time 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
203	279	11.9 %	10.8 %	3.5 %	2.5 %	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 December 2022, there were four women and three men in temporary full-time positions. The figures for temporary employees do not include employees who left before 31 December 2022. There were no employees in involuntary part-time positions in the company in 2022.

Parental leave		
	Women's parental leave*	Men's parental leave*
Protector Insurance	**19.6**	**7.1**
Norway	19.2	9.0
Sweden	17.8	6.3
Denmark	19.5	6.0
UK	1.1	0.0
Finland	30.3	1.0
*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	**38.9 %**	**50.2 %**	**10.8 %**
Top management	0.0 %	66.7 %	33.3 %
Middle management	13.6 %	77.3 %	9.1 %
Team management	21.1 %	75.4 %	3.5 %
Employees without managerial responsibility	46.1 %	42.3 %	11.6 %
Norway	**30.4 %**	**58.1 %**	**11.5 %**
Top management	0.0 %	60.0 %	40.0 %
Middle management	14.3 %	76.2 %	9.5 %
Team management	3.7 %	88.9 %	7.4 %
Employees without managerial responsibilities	43.2 %	45.3 %	11.6 %
Sweden	**55.5 %**	**35.5 %**	**9.1 %**
Top management	0.0 %	100 %	0.0 %
Middle management	28.6 %	71.4 %	0.0 %
Team management	50.0 %	50.0 %	0.0 %
Employees without managerial responsibility	58.3 %	31.0 %	10.7 %

Denmark	**27.5 %**	**64.7 %**	**7.8 %**
Top management	0.0 %	100.0 %	0.0 %
Middle management	16.7 %	83.3 %	0.0 %
Team management	0.0 %	100.0 %	0.0 %
Employees without managerial responsibility	32.5 %	57.5 %	10.0 %
UK	**42.3 %**	**45.2 %**	**12.5 %**
Top management	0.0 %	0.0 %	100.0 %
Middle management	0.0 %	71.4 %	28.6 %
Team management	38.5 %	61.5 %	0.0 %
Employees without managerial responsibility	47.0 %	41.0 %	12.0 %
Finland	**23.8 %**	**61.9 %**	**14.3 %**
Top management	0.0 %	0.0 %	0.0 %
Middle management	0.0 %	100.0 %	0.0 %
Team management	0.0 %	100.0 %	0.0 %
Employees without managerial responsibility	29.4 %	52.9 %	17.6 %

Framework for our work on equality and diversity

The responsibility and work with equality, diversity and non-discrimination is followed up by the Equality, Diversity and Inclusion (hereafter EDI) committee. Its work consists of:

- Identify risks of discrimination and obstacles to equality.
- Plan and implement measures that promote equality and diversity.
- Evaluate the measures.

The committee is involved in key decisions related to recruitment, pay, working environment, promotion, development and facilitation. The EDI committee consists of HR and employee representatives from the countries we operate in. As an extension of the committee and part of the work, we have created reference groups in each country to ensure that the employees are heard and involved in the work and take part in the decisions made.

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.

The work to identify risks of discrimination and obstacles to equality is a continuous process, where we invite and encourage all managers and employees to actively take part in the work. The EDI committee uses a simple structure for monitoring risks, measures and proposals for improvements that is available to everyone. In this way, we manage risks effectively. In addition, the employee satisfaction survey includes EDI, which gives our employees another arena for feedback on the topic.

Status & plans going forward

In 2022, we have worked to reduce the risks to EDI by anchoring our views and attitudes through the following measures:

- Focus on the topic and create commitment among the company's employees. We have done this by arranging professional days in all countries where we launched our EDI policy, associated training and updated our personnel idea and our values.
- Improved our job advertisements in order to increase the diversity of the applicant pool.

- Increased focus on reviewing unintentional lopsided distribution when adjusting pay and determining performance pay.
- Make managers aware of homosocial reproduction (conscious or unconscious favouring of one's own group), double standards (different assessment despite the same background and same characteristics) and "double binds" (same requirements, but different conditions).

We believe that we already see a positive development as a result of the above-mentioned measures. In the employee satisfaction survey for autumn 2022, we achieved an EDI score of 70, which is a positive development of 3 % compared to the spring of the same year.

The company aims to achieve an EDI score of 80. For 2023, the EDI committee has prioritized the following focus areas and activities:

- Develop a structured recruitment process that is objective.
- Training of managers and implementation of tools that are supportive in carrying out objective processes.
- Determine statistics for better monitoring of our progress.
- Prepare guidelines and templates for conducting exit interviews.

Human and labour rights at our suppliers

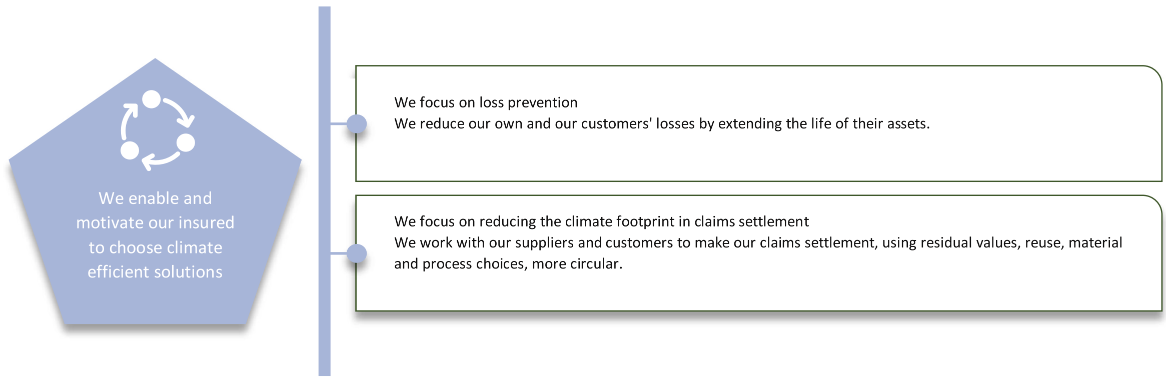
Protector's fundamental guideline is respect for the individual. Everyone shall be treated with dignity and respect, without discrimination on the grounds of gender, gender identity or gender expression, age, sexual orientation, disability, ethnicity or belief. Children shall not be used as labour and forced labour 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 laws and industry standards. In 2022, we established a company-wide claims procurement unit. This unit strengthens our work for cost effective, high quality and compliant procurement.

In 2022, Protector drew up a new Code of Conduct that all new contractual partners must sign before a collaboration can start. This documents the requirements to qualify for cooperation with Protector. The principles are based on the OECD's guidelines for multinational companies, and deal with, among other things, sustainability, employee rights, child labour, discrimination, corruption and health and safety.

Protector shall carry out due diligence assessments in line with the OECD's guidelines for multinational companies. This shall increase accountability and prevent negative impact on the environment from our operations. The assessments are comprehensive and involve investigations into conditions for employees, human rights, environmental impact, bribery and corruption and corporate governance. These requirements follow from the Norwegian Transparency Act which entered into force on 1 July 2022. Protector will publish an account of the specific due diligence assessments carried out on our website by 30 June 2023. The account shall be revised yearly by 30 June, or continuously in the event of significant changes.

CLIMATE EFFICIENT SOLUTIONS



Loss prevention

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. Although the effect is difficult to measure, we have great faith in the effectiveness of preventing and limiting damage.

There are two main 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 they receive an uncompetitive offer.
- We follow up whether 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.

Protector 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.

In 2022, we have continued our work with inspections and documentation of deviations. Statistics from our inspections show that this is an area with potential for improvement.

2022 statistics for property-related inspections

Country	Customers inspected	Buildings inspected	Buildings with deviation	Share of buildings with deviations
DK	3	68	51	75 %
NO	47	219	123	56 %
SE	76	820	315	38 %
UK	57	2085	356	17 %
Total	183	3192	845	26 %

The large difference in both the number of inspections and the share of deviations between, for example, Norway and the UK, is due to general differences in the risk profile and building type.

We have actively used deviations at renewals. Customers who cannot document closing the deviations receive a premium increase. This motivates the customers to enact loss prevention measures. This initiative has in 2022 resulted in 1/3 of our customers with deviations having closing said deviations by renewal of the insurance policy.

Other statistics relating to our loss prevention initiatives in the UK for 2022:

- Prepared 25 guidance documents that make it easier for building managers to reduce the risk of damage to people or property.
- Delivered more than 62 tailor-made courses to increase the competence of building managers related to the risk of damage to persons or property and associated recommended measures.
- Carried out 541 customer meetings with the purpose of evaluating risk, identifying risk-reducing measures and preparing a deviation report with recommendations and requirements.
- Conducted 3 Risk Academy Webinars for relevant target groups.

We believe that this focus on loss prevention sets us apart from other insurance companies and adds significant value to our customers. In 2023, together with our customers, we will become ever better at preventing undesirable events from occurring and reducing the consequences of those that do occur.

Reduced climate footprint in claims settlement

Protector handles over 152,000 claims annually. How these claims are settled is one of our biggest opportunities with both sustainability and cost savings. These are opportunities we shall seize, and we shall constantly reduce the climate footprint in our settlements.

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, through organisations such as Finance Norway, industry standards to allow for more repairs and reuse. This provides financial gain both for the customer 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.

Our most important sustainability measure for handling property damage in 2022, is our new remediation agreement for Scandinavia. With this agreement, we improve our customers' access to remediation services, which reduces the consequences of undesired events. Furthermore, we have prioritized sustainability in this agreement, and we follow up our supplier with KPIs for, among other things, waste management, environmentally certified building material and emissions from vehicles.

In auto, Protector has recommended workshops for each geographical area. These workshops can document satisfactory operations in accordance with the current requirements and quality standards Protector requires, and we follow up these workshops on sustainability.

A requirement we have is that used parts must be used where possible, and for cars older than five years, equivalent used parts must in principle be used. Similarly, we ensure that damaged glass is repaired, rather than replaced, where possible.

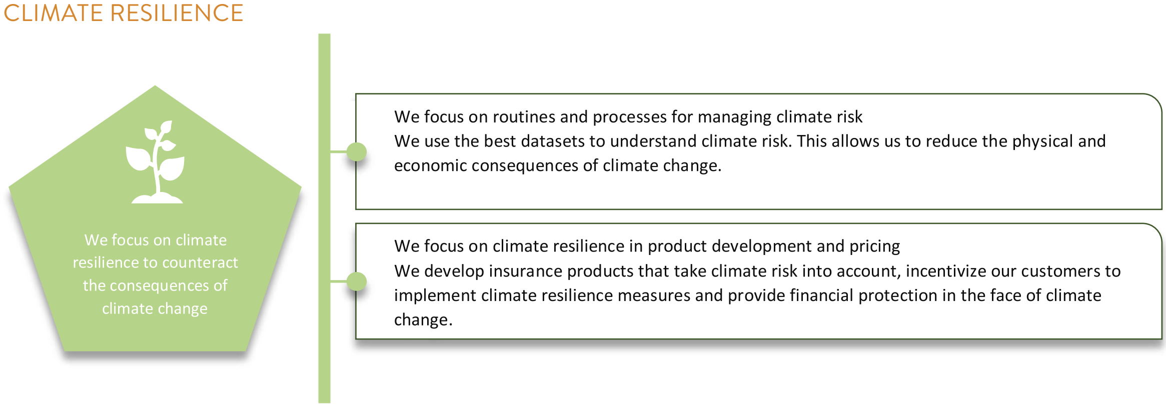
Furthermore, we advocate the use of independent workshops. This is because these earn relatively more on repairs than replacement of parts. To ensure significant volume for our recommended workshops, we have limited the number of workshops in each area.

Used parts and repairs of glass				
Country	Share of parts that were used (2022)	Target share used parts (2024)	Share of glass repaired (2022)	Target share of glass repaired (2025)
DK	5 %	7 %	24 %	30 %
NO	1 %	2 %	31 %	36 %
SE	11 %	12 %	31 %	36 %

The table above shows shares for used car parts and glass repairs. The practice of how to calculate such shares varies from country to country, therefore these figures are not directly comparable. Furthermore, the age of the vehicles in the portfolio affects whether workshops can use used parts. Due to characteristics of the company's customer mix, the average age of vehicles Protector insures is low.

In 2023, Protector will strengthen its work for reduced climate footprint in claims settlement. The company will have more detailed and comparable sustainability targets and implement these in all the markets we operate in. Moreover, we will use our climate accounting to prioritize the measures with the greatest impact. Through product development, loss prevention, claims handling expertise and supplier management, we will achieve our goals.

CLIMATE RESILIENCE



Routines and processes for managing climate risk

We recognize that unwanted weather-related events are becoming 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 city centres constructed from concrete/ steel.

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 on a per client and location basis. In more vulnerable areas, such as the UK, we use a highly analytical 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.

The company also assists its customers with loss prevention. Early warning and quick measures are important mitigating factors in the event of a disaster. If, for example, we are able to advise customers before undesirable events occur, this could reduce the consequences of the event.

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-5,000-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 Finance Initiative (UNEP FI) 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 2022.

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 investments 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 organisations 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, 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

We focus on responsible business behaviour in our own operations
We have zero tolerance for unethical business behaviour, including corruption, fraud, bribery, and money-laundering in our operations. We ensure proper business risk management systems, governance procedures and employee awareness and conduct.

We focus on responsible business behaviour in our external relationships
We manage and report on business risk management and governance procedures related to customers, suppliers, and other partners. We follow up on suppliers to ensure ethical procurement practises and ensure proper protection of customers data and information security

We focus on being a responsible investor
We include ESG factors in our investment decisions, exercise active ownership and are transparent about our portfolio. This meets regulatory requirements and expectations from our stakeholders.

Our own operations

We shall contribute to society, 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 tailor-made anti-corruption measures have been developed.

Protector's ethical guidelines state that the company has zero tolerance for corruption. The company has guidelines for gifts and entertainment, 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 passed 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.

We also limit the climate impact of our own operations. Our offices in Norway and the UK are BREEAM certified. All our offices have easy access to public transport, limiting the need to commute by car. We employ strict source separation of waste at all our offices. Moreover, we have, through recent digitalization, permanently reduced our travel activities.

External relationships

Protector requires its suppliers to comply with applicable regulatory requirements and industry standards. In 2022, the company established its company-wide purchasing unit which will both ensure efficiency and quality in Protector's purchases, and ensure that suppliers comply with laws, industry standards and regulatory requirements.

This is done through reviewing potential suppliers prior to entering into any agreement, preferably via tenders and documentation collection, as well as through signing Protecor's Code of Conduct, where suppliers confirm compliance with the requirements. Additionally, we follow up existing suppliers with meetings, required reporting, quality audits, inspections and other evaluation.

Furthermore, we offer summer and part-time jobs to a large number of students. This provides important early career work experience. We consider this to be part of our social responsibility.

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 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. We have increased our emphasis on ESG in 2022, and continued our work on processes related to dialogue/influence, concretization of focus areas and analysis of the carbon footprint in our investment portfolio.

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. 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.

We compare the companies we are invested in with each other. In cases where we find major differences, we will use our ownership, influence and access to get management to move in the right direction. If this is not sufficient, we will consider formally exercising our ownership, or exit our position. The exercise of ownership is based on an assessment of how we can have the greatest impact. In some cases, it may be better to retain an ownership position and exert influence rather than exiting our position.

Examples of active ownership:

- Ongoing contact with management through investor meetings
    - In some cases, we also engage with the Board
- Promote best practice from other companies in the same industry
- Voting and proposals for general assemblies
- Review and give input on bond & loan terms

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

As a starting point, we will not invest in companies that have a history of poor corporate governance. We work to ensure that companies in which we are invested have good governance. We contribute to this by participating in election committees where possible.

In the past year, Protector has been represented on the election committees of several of the companies that were then in our portfolio: eWork, Projektengagemang, Elanders and B3. Historically, we have been active in changing the board composition of some of the companies in order to increase competence and value creation.

In 2022, we have continued to work on what ESG/ sustainability means to us. Overall, we want to take part in sustainable value creation together with the companies we are invested in. To achieve this, we focus on the following themes in our follow-up of ESG:

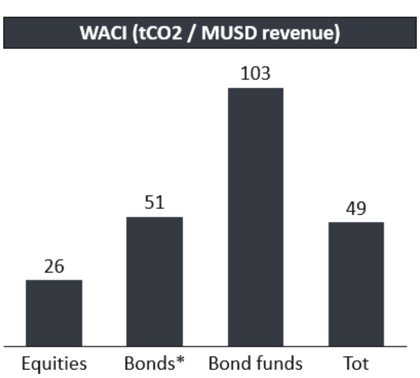
- Zero emissions by 2050 – ambitions and contributions
    - Focusing on those companies with relatively high levels of carbon emissions
- Equality, diversity and inclusion
    - Everyone must have equal responsibilities, as well as equal opportunities and rights, regardless of background
- Good corporate governance
    - The boards must act in the best interest of the shareholders
    - The board members must also be able to contribute perspectives and knowledge to maximize long-term value creation
    - Compensation of management and the board must be reasonable and not at the expense of the shareholders

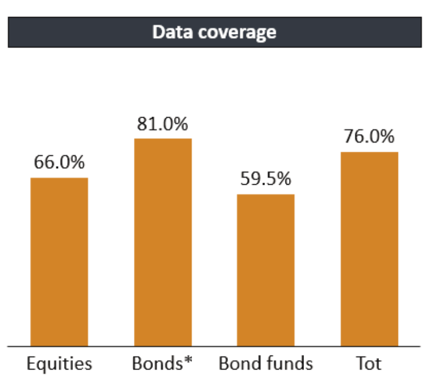
It is important to us that profitability and sustainability go hand in hand. In cases where profitability is temporarily pressured due to absolutely necessary sustainability measures, we encourage the companies to share the cost with their value chain over time, or to develop new ways of working to restore historical profitability.

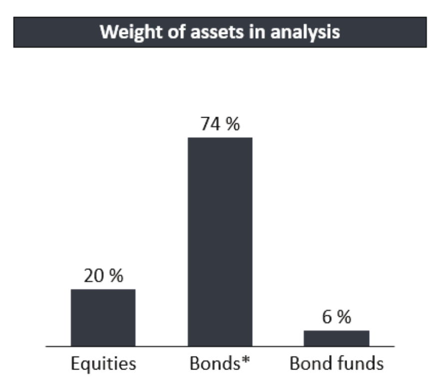
Protector is, as discussed in the chapter on People, a knowledge company. Our most important investment is in our employees' skills. The investment department therefore sets aside time for competence development within sustainability, e.g., through seminars under the auspices of the Association for Finance.

In 2022, we calculated the carbon intensity for the investment portfolio (Weighted Average Carbon Intensity - WACI) for the first time. It is worth noting that we use external managers to a very small extent. Shares and bonds shown in the figure below are 100 % internally managed. The analysis now covers 76 % of the company's investments, if one takes stocks and corporate bonds as a starting point and disregards cash and derivatives.

Where we are exposed to companies with a high carbon intensity, the companies must have a clear plan to reduce emissions over time. If this does not exist, we can still invest, but then we will influence the companies to put such a plan in place.







*excluding government and municipal bonds

2/3 of the contribution to the carbon intensity in the bond portfolio comes from a single company, Wallenius Wilhelmsen, which is the world leader in shipping cars. Electric cars also need shipping, and Wilhelmsen contributes to the green shift in this way. In order to optimize with regard to carbon intensity, we could sell these bonds, which do not have a large weight in the portfolio if you look at market value. We believe it makes more sense to support such companies in the transition, instead of withholding capital and increasing the cost of financing. Wilhelmsen has stated publicly that they can and will take the lead towards zero emissions as the largest and leading player in their industry.

Estimate, per GHG protocol, for our investments' carbon footprint measured in tCO2 (2022)				
Type	Coverage	Data	Estimate	Total
Equities	66 %	6 292	3 242	9 534
Bonds	81 %	37 377	8 777	46 154
Bonds funds	59 %	1 891	1 341	3 232
Total				**58 920**

In 2022, we have contacted the companies in our equity portfolio with the largest climate footprint with the goal of improved sustainability. Many of these already have good initiatives underway. An example is Duni, which today has a large carbon footprint, but a goal of “net zero” (Scope 1 & Scope 2) by 2030.

Preliminary assessments indicate that we are far better than comparable insurance companies when it comes to the carbon footprint of the investment portfolio. The analysis also shows that our internally managed bond portfolio has a carbon footprint that is 50 % lower than the bond funds in which we are invested.

In future, Protector will seek to be the best among comparable insurance companies in terms of carbon footprint in the investment portfolio.

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