ANNUAL REPORT

2023

PROTECTOR
forsikring

CONTENTS

HIGHLIGHTS 2023[1]

37 %	**10.8 %**	**88.5 %**
Premium growth in local currencies **(21)**	Cost ratio **(11.1)**	Combined ratio **(89.4)**
1,080	**944**	**1,509**
Insurance service result (NOKm) **(701)**	Total investment return (NOKm) **(1,084)**	Profit (NOKm) **(1,379)**
37.7 %	**18.3**	**195 %**
Return on equity after tax **(42.9)**	Earnings per share (NOK) **(16.7)**	Solvency ratio **(195)**

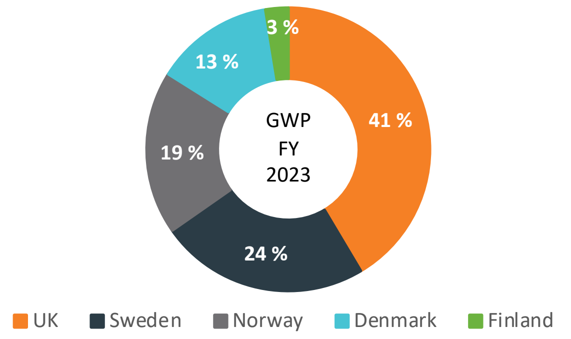
[1] The figures in brackets are the amounts or percentages for the corresponding period previous year.

THIS IS PROTECTOR

Protector is the Challenger. This is demonstrated through unique relations, best-in-class decision-making and cost-effective solutions. The company´s main targets are **cost and quality leadership**, which should lead to **profitable growth**, which again should put the company **top 3** in the segments the company decide to enter.

Protector is a non-life insurance company. The company started underwriting insurance in 2004 and has been listed on the Oslo Stock Exchange since 2007. Building on the Norwegian success, the company entered Sweden in 2011, Denmark in 2012 and Finland and UK in 2016. For all markets, the company focus on commercial lines of business, public sector and affinity schemes, through insurance brokers and agents only.

The company has grown from zero to NOK 10,423 million in gross written premiums, and has over 500 permanent employees. At year-end 2023, the geographical distribution of gross written premiums was:



Protector will prioritise further profitable growth. This will be achieved by delivering the lowest cost and the best quality in the market. Our long-term financial objectives are:

- Combined ratio < 91%
- Solvency margin: > 150%

DISTRIBUTION STRATEGY

All of Protector's business is done through selected brokers and agents, with which the company has a broad and good collaboration. A significant part the insurance portfolio is channelled through the largest broker houses in the Nordics and the UK.

The company has high and defined service standards, on which both brokers and clients are offered service level agreements (SLAs). All processes and steps necessary to meet the high standards are reviewed and analysed at individual and team level through KPI measurements.

Protector's most important promise to brokers and clients is to be easy to do business with, commercially attractive and trustworthy.

MARKET STRATEGY

Protector's prioritised market segments are commercial lines of business, public lines of business and the affinity market. The company is a total provider of non-life insurance, and clients represent a broad range of industries and risks.

The commercial segment includes both small and large companies and affinity programs. We tailor insurance solutions for large companies and can develop own concepts through affinity programs as well as facilitate solutions for cross-border clients.

The public segment consists primarily of municipalities and county authorities. Protector is the largest insurance carrier within municipal insurance in Scandinavia, insuring more than 600 municipalities and county councils. In UK public sector and housing, Protector is currently the third largest insurance carrier, with more than 270 municipalities, local authorities, and 170 housing associations.

Protector's long-term profitability target is a combined ratio below 91%. This implies growth through consistent risk selection, market pricing, cost-effective operations, and risk improvements. By involving the correct expertise in the process, the company aim to ensure consistent, effective, and high-quality decision-making.

Existing clients are evaluated on the same basis as new risks. The renewal process will constitute the basis for making changes to policy terms, pricing, and risk management initiatives. The renewal strategy shall always be rational and data driven, ensuring that the profitability targets are achieved at first renewal.

All business units have appointed a product owner or Chief Underwriter (UW) for every product. This person is responsible for sharing their experiences with colleagues cross-border, 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 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, allowing solvency relief and ensuring an equalisation 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 claim volume with a return period of 200 years. Protector have limited their risk for own account to a maximum of 100 MNOK/SEK/DKK, 10 MGBP or 10 MEUR for individual events.

Protector prepares a renewal strategy for the individual reinsurance contracts in collaboration with the company's reinsurance broker. 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, terms and conditions. Protector normally buys reinsurance through reinsurers with a credit rating of A- (S&P), or higher.

CLAIMS HANDLING

Claims handling is the "moment of truth" and is an integral part of the company. Most claims are handled in-house, but third parties are engaged when competence or capacity is needed. Currently claims handling employees are 46% of our operational workforce.

Protector's claims handling is built on high quality standards ensuring that injured parties can trust that they will receive the compensation they are entitled to, in a way that provides trust and security. To achieve this, we have set the following five quality criteria as a basis:

1. Speed of settlement
2. Communication
3. Competency
4. Accuracy
5. Overall service

The most important criteria for perceived quality in claims handling is speed of settlement. 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. All claims handlers are evaluated on the five quality criteria. The company regularly requests feedback from brokers and clients so that the interests are aligned in the best possible way.

INVESTMENTS AND CAPITAL ALLOCATION

The asset management mandate set by the Board of Directors within the regulatory framework defines Protector's investment strategy. It allows for investments in equities, fixed income, private equity and real estate. The company manage its financial assets in-house; analysts thoroughly assess and calculate returns for financial investment alternatives and rank them by risk adjusted return. As a Norwegian insurance company, Protector must comply with EUs Solvency II directive, detailing the capital consumption per risk alternative and the relationship between them. The prudential regime aims to ensure adequate protection of policyholders and other beneficiaries.

Protector performs stress tests to ensure that the balance sheet can withstand the most severe financial distress; the company tests the results being negatively impacted by poor technical profitability and turmoil in all financial asset classes, all at the same time.

Every quarter (at least) Protector make an overall assessment of all risks in the company's books and risks the company may face in the future. Based on this, allocation of available capital is made towards alternatives considered, maximising risk adjusted return on equity. This includes, in prioritised order, profitable insurance growth, financial investments, cash as an option, and distribution of capital to shareholders through dividends or buy-back of the company's own shares.

IT STRATEGY

IT is a major contributor to Protector's profitable growth through the availability of data, process support and improvement and automation. IT covers Information security, Information Compliance, Infrastructure stability and Innovation through the use of technology, at industry benchmark cost to ensure:

- Systems and processes are 100% secure, compliant and documented
- Business critical systems are stable and perform well
- Relevant data is captured, managed and used to enable best-in-class decision-making
- Processes in UW, contracting, broker service and claims handling are improved
- Self-service and sharing of information with brokers and clients for an efficient value chain
- Tasks that do not benefit from manual interaction are automated

Protector's core insurance systems are developed, maintained, and operated by the company's own IT professionals. In-house IT is strengthened by close cooperation with the providers of a modern technology stack, and a Cloud-based infrastructure. This gives the company access to the latest technology and enables recruitment of highly skilled resources, creating a unique combination of advanced technology and deep business understanding. A well-functioning cooperation in the matrix puts ownership of IT initiatives in the business units and reduces time to market for innovations. By sharing common goals and KPIs, an important part of the One Team Performance Culture, excellent business and IT cooperation is further enhanced.

Protector's IT department maintains close relationships with brokers, clients, authorities, financial and insurance organisations, and their IT departments. By recruiting, developing, and retaining the right people, internal employee satisfaction survey results show IT is an organisation that is very attractive to be a part of.

ADMINISTRATION

Protector's support functions operate largely as a centralised hub, delivering services to the business units. These services encompass data availability, data distribution and data analysis, bookkeeping, business support, process development, project management, compliance, overall risk assessment and reporting, financial controlling, actuarial analyses, HR, marketing, and cultural and leadership development. The administration is committed to creating efficient support functions that add value to the business units. Understanding roles and responsibilities, along with managing the matrix as One Team, is key to further improving the quality and efficiency of our support functions.

PERFORMANCE BASED CULTURE

Value based leadership defines Protector and is a fundamental part of the company's business strategy. All employees are expected to not only know the company's DNA, but also live it every day. A Culture of discipline is a fundamental prerequisite for employees to take responsibility for their individual goals and work individually and as a team. Protector invests a considerable amount of resources in employee recruitment and development.

All employees have personalized performance contracts and quarterly status and plan meetings (STPs) with their manager. The meetings include a performance evaluation based on the company's core values, personalized targets and focus areas. Protector also conducts annual 360 and 270 evaluations which provides managers and employees with a multi-source assessment regarding their cultural development.

Protector believes in developing key skills through continuous learning. Protector has established Protector University a virtual e-learning platform with the ambition to support training/on-boarding of new employees, support continuous development of senior employees, as well as give feedback and map competence. The "Protector Profile", a competence map to which it is continually referred to, was developed to continuously support the development agenda of each and every employee, as well as the leader.

A long history of management development programs has led to a group of leaders that understands and live the company culture. Each management development program lasts for

18 months, with a 6 month break between the programs, enabling new entrants enrollment within 24 months.

SUSTAINABILITY

Protector asserts that if an insurance company excels in its core business, it also contributes to sustainability. Consequently, Protector's sustainability strategy supports its core business and consists of the following pillars:

- People
- Climate resilience
- Climate-effective solutions
- Responsible business behaviour

In short, this means that the company strives for a good working life throughout its value chain, that it considers climate risk in its risk assessment and product development, reduces its carbon footprint through loss prevention and competent claims settlement, and takes responsibility in the fight against corruption, money laundering, and through its investments.

The company is a signatory of UN's Principles for Sustainable Insurance, and its approach to sustainability is aligned with those principles. Protector reports on its climate footprint in accordance with the GHG protocol, and uses this to further optimize its sustainability efforts.

INCOME OVERVIEW

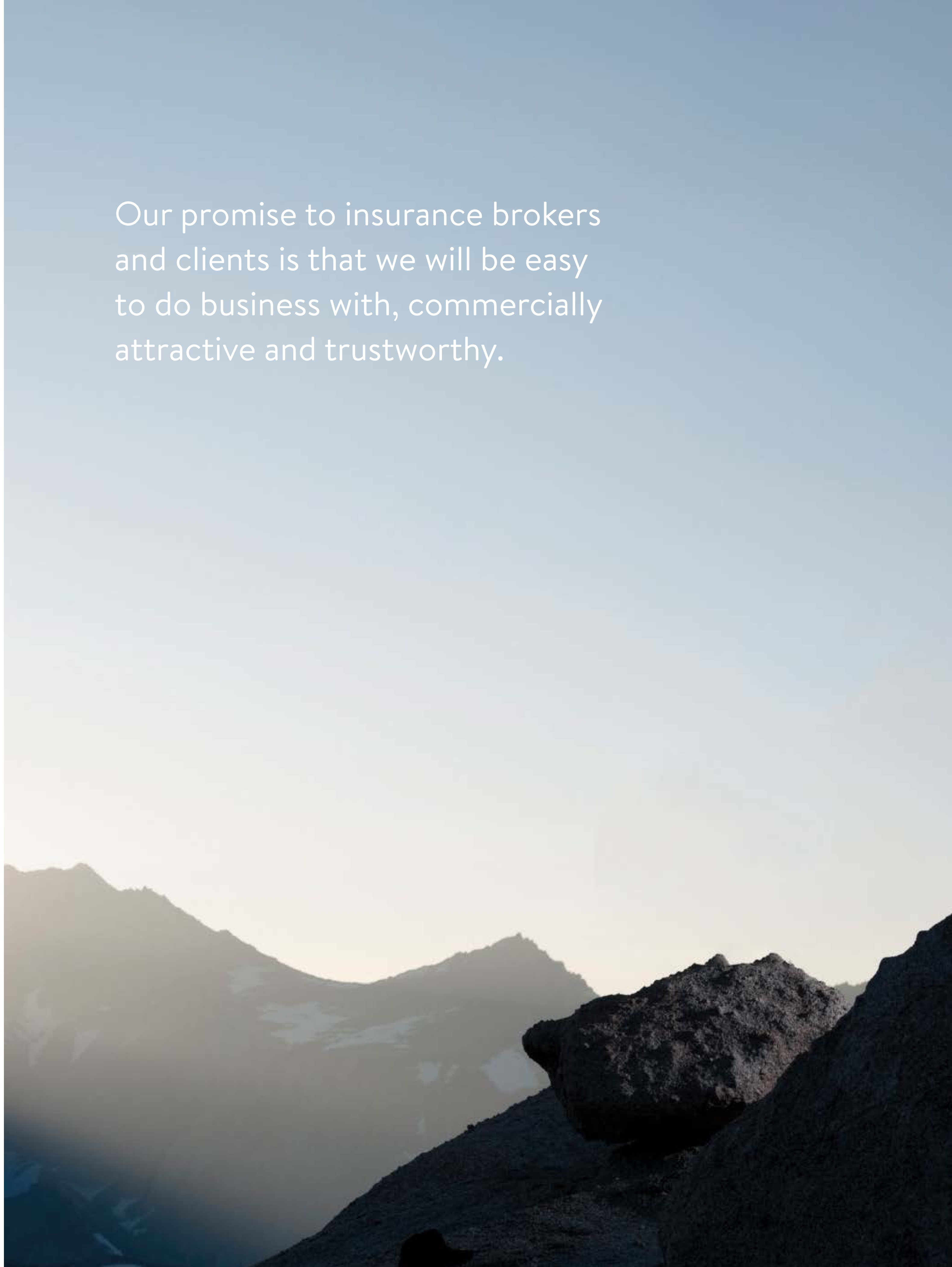
NOKm	2023	2022	2021
Gross written premium	10 423	7 098	5 951
Insurance revenue	9 386	6 619	5 812
Insurance claims expenses	(7 182)	(5 045)	(4 467)
Insurance operating expenses	(1 011)	(735)	(681)
Insurance service result before reinsurance contracts held	1 193	840	664
Net result from reinsurance contracts held	(113)	(139)	201
Insurance service result	1 080	701	865
Net income from investments	1 328	477	878
Net insurance finance income or expenses	(384)	607	25
Other income/expenses	(91)	(74)	(64)
Profit/(loss) before tax	1 934	1 711	1 704
Tax	(439)	(341)	(324)
Discontinued operations	15	10	102
Profit/(loss) for the period	1 509	1 379	1 482
Key ratios (1)			
Return on equity after tax	37,7 %	42,9 %	46,4 %
Earnings per share	18,3	16,7	18,0
Gross written premium growth in local currencies	37 %	21 %	10 %
Loss ratio, gross	76,5 %	76,2 %	76,9 %
Net reinsurance ratio	1,2 %	2,1 %	-3,5 %
Loss ratio, net of reinsurance	77,7 %	78,3 %	73,4%
Cost ratio	10,8 %	11,1 %	11,7 %
Combined ratio	88,5%	89,4 %	85,1 %
Large losses, net of reinsurance (%)	5,9 %	6,4 %	4,7 %
Run-off gains/losses, net of reinsurance (%)	0,3 %	-2,0 %	0,3 %
Change in risk adjustment, net of reinsurance (%)	1,5 %	1,2 %	-4,1 %
Discounting effect, net of reinsurance (%)	-4,2 %	-2,3 %	0,0 %
Retention rate	93,8 %	87,5 %	85,8 %

Combined ratio by business areas			
The UK	82,4 %	88,8 %	103,7 %
Sweden	91,9 %	87,8 %	76,0 %
Norway	97,1 %	88,2 %	81,8 %
Denmark	86,8 %	94,6 %	75,8 %
Finland	86,1 %	92,8 %	88,6 %

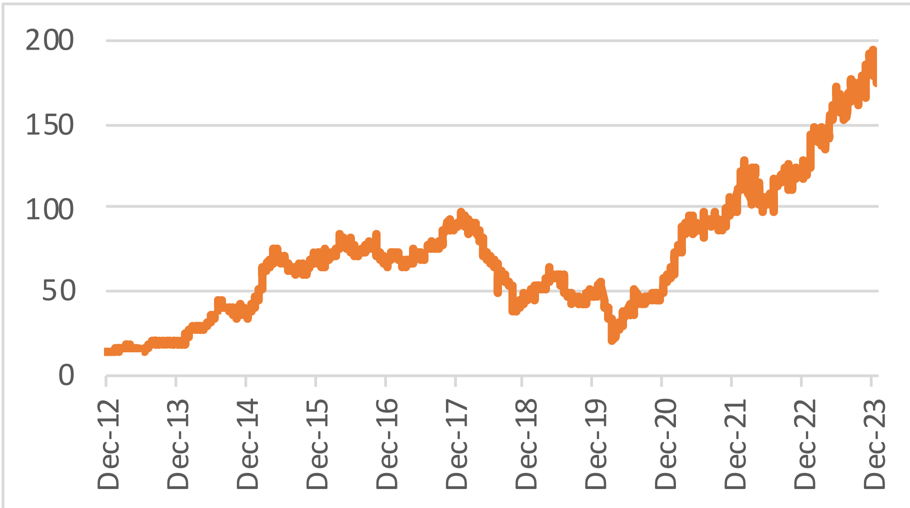
(1) Defined as alternative performance measure (APM). APMs are described at www.protectorforsikring.no in document APMs Protector Forsikring 2023.

DITLEV DE VIBE VANAY
CHIEF FINANCIAL OFFICER (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 25 years of experience within insurance, finance, business controlling and IT, from Protector, Storebrand, If and Tinde.



INVESTOR INFORMATION



Investor Relations (IR) is responsible for Protector's activities and communication with the capital markets. Protector is committed to maintain open, transparent, and consistent communication with investors, analysts, and other stakeholders to ensure that they have equal access to accurate and relevant information in order to form a true and fair view of Protector's results and development. Information relevant to Protector's stakeholders shall be easily available on the company's website. Protector's IR policy can be found on the company's website.

Four analysts are currently covering the Protector share. More details on the analysts and the share can be found on the company´s website.

THE PROTECTOR SHARE

The Protector share is listed on the Oslo Stock Exchange. Company announcements and trading announcements are published in English - and in Norwegian on an optional basis. Interim reports and annual reports are published in English only.

In 2023, Protector's share price increased by 43,1%. The Oslo Benchmark (OSEBX) increased by 9.9% during the same period. In 2022, Protector's share price increased by 16.1%, while the Oslo Benchmark index decreased by 1% during the same period. The average daily trading volume of Protector's shares on the Oslo Stock Exchange was 95,332 shares in 2023, relative to 80,534 in 2022. At the end of 2023, the Protector share was traded at NOK 180.0. The market value of total outstanding shares was NOK 14,839 million.

QUARTELY DIVIDEND ASSESSMENT

In accordance with the company's adopted distribution policy, the intention in the coming years is to distribute 20 - 80% of the profit for the year to shareholders. 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 distribution 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 17 in this report.

ANNUAL GENERAL MEETING

The annual general meeting of Protector Forsikring ASA will be held at the company's premises at Støperigata 2, Oslo, on Thursday April 11th, 2024 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

2023
- EXTRAORDINARY, BUT DISCIPLINED GROWTH

COST AND QUALITY LEADERSHIP LEADING TO PROFITABLE GROWTH

Our 2023 gross written premiums grew by 37% in local currencies relative to 2022. Combined ratio was 88.5%, corresponding to a profit margin of 11.5% from the insurance business.

The large loss rate (5.9%) in the portfolio was slightly lower than normalised (7%). The development in reserves from earlier years (run-off) gave a negative effect of -0.3%. Adjusted for these factors, underlying profitability is somewhat weaker than reported results.

Results are derived from disciplined underwriting in renewals and new sales, high-quality and efficient claims handling, targeted actions to counter increasing inflation and change in competitors' behaviour in UK Public Sector and Housing. The Scandinavian market can still be characterised as rational. All countries contribute positively to both volume growth and technical profitability.

Following some years with investments in portfolio clean-up and control, the strong growth leads to a gradually improving cost ratio. There is no significant efficiency development in 2023, but investments in people and process improvements, including better utilisation of available and emerging technology, will ensure future cost control and scalability.

WELL PREPARED FOR EXTRAORDINARY MARKET CONDITIONS THROUGH A CULTURE OF DISCIPLINE

This year we more than doubled our UK Public Sector and Housing portfolio, following several years with very low hit ratios. Prior years have been challenging, and we have gone many rounds on why we have not won more volume; we have been there quoting all the way, staying true to our models and processes with data supporting our view. We have not changed our underwriting processes and principles, nor our risk appetite, but the conditions in the market have changed; some competitors turned more conservative (both in pricing and risk appetite), others were no longer present in the market at all.

The UK Public Sector and Housing market is limited to approximately £ 900 million, whereof approximately £ 600 million is within our current appetite. With our £ 218 million in this market as per year-end, we now have a market share at above 30%. Approximately one fifth (1/5) of the market go out to tender per year. The growth in the segment through 2023 is extraordinary and we expect competition to normalise over time. We will stay disciplined and consistent and use data as the basis for our decision-making, irrespective of how the market should develop.

HIGH RUNNING YIELD ON THE BOND PORTFOLIO AND DISCIPLINED FINANCIAL UNDERWRITING

The investment portfolio yielded a return of NOK 1,372 million (7.9%); equities at 12.1% excl. put options, and fixed income at 7.6%. We invest for the long term; iinvestment decisions are made based on expected development in fundamental value with our portfolio companies relative to their inherent risk and the capital they consume. The excess return from our financial investment activities since October 2014 (in-house management) is exceptional.

Our average reference rate has increased by 0.6%-points throughout the year, whilst the average risk premium (spread) has decreased by 0.9. Hence, our expected annual yield (before cost of risk) in the fixed income portfolio has decreased from 6.0% by the end of 2022, to 5.8% by the end of 2023.

Equity portfolio philosophy and research process has stayed consistent, but with more focus on better documentation of assumptions and investment rationale. Underlying development in our equity positions has been good; at year end we estimate a discount to intrinsic value at 35% on average for our 32 holdings.

From a capital perspective, we have been steering interest rate risk during 2023. This is considered more reasonable in a higher interest rate environment. By matching size and duration of fixed income securities with our Solvency II-based provisions per country, we reduce balance sheet risk and to a certain degree also P&L volatility.

In Protector, we consider investments core business; it is all about calculating risk vs reward, both within insurance and investments. Our assets under management have grown to NOK 18.7 billion (up from NOK 14.9 billion). At year end about 16.0% was allocated towards equities and 84.0% towards fixed income securities and interest rate hedging instruments.

CAPITAL ALLOCATION WITH A RISK APPROACH

To assess risks and opportunities from a capital perspective, we maintained a strengthened process and wide involvement of competence from a wider part of the company in 2023. Both existing and new elements are assessed, discussed, and quantified quarterly, or more often if found necessary. This forms the groundwork for correct capital allocation decision-making and contributes to 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) by year end 2023 is 195%. With this, we have a solid base for the future, and we value the flexibility it entails. Our prior solvency-based reinsurance agreement was not renewed going into 2023.

A.M Best has reiterated their investment grade credit rating of bbb+ and revised their outlook on Protector from stable to positive.

IMPRESSED BY TEAMS AND INDIVIDUALS

When the results are strong in all business units, it is driven by good performance from all teams. This includes centralised IT and HQ functions. The collaboration between people, teams, units, and functions has continued developing throughout 2023. I am impressed and proud of how sharing of "best practice" makes us stronger and of how we support each other across functions and geographies. Thank you to all employees for evolving our culture every day and for delivering great results.

In Protector, we have a history of growth, both in terms of volume and careers. Through profitable growth we can give opportunities and invest in the development of our people. By focusing on our employees' passion and purpose, and combining that with what drives our economic engine, role development becomes natural. Looking ahead, continued profitable growth will open new opportunities for employees to pursue. For management that means active, open and transparent succession planning.

With strong growth we must strengthen the team to continue delivering. We have a standing ambition to continuously 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 developing diversity, to the best for our company.

BEST-IN-CLASS DECISION-MAKING IN FOCUS

An important part of our performance culture is our ability to make decisions. In Protector everyone should make a decision within their area of responsibility. We believe in local autonomy, in combination with common tools and guidelines assisting the decision-making process. If we allow for everyone to make decisions, we must expect that not all decisions turn out to be good. With the right culture and tools, we can celebrate our mistakes as learning opportunities; best-in-class decision-making is also about the quality of our decisions.

Starting with the leaders in our internal leadership development program, we have set more focus on developing this culture and guidelines during 2023. To facilitate even more learning from our decisions, we have become better at documenting our assumptions and rationale, but also making this documentation more available for others to challenge, learn and take inspiration from.

BROKERS; A PART OF OUR "ONE TEAM"

Insurance brokers and agents are also a part of our team. Our best and only friends grew their market share also in 2023, especially through further developing arrangements for smaller clients than those who usually are a part of the brokered market. We are part of that journey and see a lot of future opportunity to compete on quality and efficiency against our competitors' direct distribution channels.

Our brokers and clients have given us very good feedback throughout the year, following targeted action to increase quality and efficiency in our joint value chain. This involves processes, data quality and technology. In addition to our own survey, placing our British, Danish and Norwegian branches on top, our Finnish branch second and Swedish branch third, we have external surveys and awards in Denmark and Norway confirming our relatively high-quality service level.

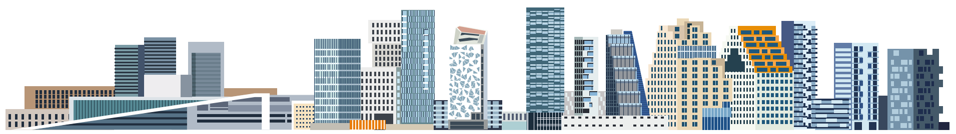
I would like to use this opportunity to thank all our friends for their trust in us. We will continue to do business with you only, and we are dedicated to make our joint value chain even better.

3 YEAR VISION AS A TOOL TO FOCUS – PROGRESS THE JOURNEY TOWARDS GREAT

Every three years we re-define and prioritise what we understand "The Challenger" to be in operational terms; what do we find most valuable to deliver as One Team? In defining and prioritising this, we involve our wider organisation, both to get diverse opinions but also to create ownership to our common direction. In 2023 we have concluded on our common direction as One Team towards 2026. The process and result are tools or guidelines assisting us all in our decision-making and helping us focus our efforts. With everyone pushing in one direction we will continue to add momentum to our flywheel, progressing our journey towards great.

HENRIK GOLFETTO HØYE
CHIEF EXECUTIVE OFFICER (CEO)
Høye has worked full-time in Protector since 2007. He holds a BSc in Economics & Finance from the University of Colorado. Høye 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 97.1% and 21% growth

RESULTS

The insurance service result was NOK 55 million (186), corresponding to a combined ratio at 97.1% (88.2). The worsened result mainly derives from claims related to the Norwegian Natural Perils Pool, but also a poor motor result.

We aim to be the preferred partner for our brokers and are very satisfied with winning two external quality surveys in 2023, as well as our own Broker Satisfaction Index. This is a testament to our strong focus on quality over time combined with a constructive dialogue with our partners.

PREMIUMS

Our 2023 gross written premium amounted to NOK 1,941 million (1,610), representing 21% growth. The growth is driven by a strong renewal rate, price increases above inflation and high client retention.

CLAIMS

The loss ratio, net of reinsurance was 89.8% (81.9) and includes run-off gains at 1.1% on previous years' claims provisions as well as a large loss ratio at 6.0%.

Protector's share of claims in the Natural Perils pool constitutes 8%-points on our loss ratio.

The poor motor result derives from a combination of higher-than-expected claims inflation and weather-related claims in Q1.

COST

The cost ratio was 7.3% (6.3). The increase in cost ratio is partly driven by increased agent commissions and by change in pension scheme. We are comfortable with the underlying cost ratio, but we will continue to look for efficiency gains through innovation.

Norway had an average of 83 FTEs (permanent employees) in 2023 including the discontinued operations (Change of Ownership).

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.

CATHRINE WESSEL-POULSEN
DIRECTOR NORWAY

Employee since 2009, started as a lawyer in COI (Change of Ownership). Previously Director of COI and Claims Director Norway. She joined the management group in May 2023.

NOKm	**2023**	**2022**
Gross written premium	1 941	1 610
Insurance revenue	1 883	1 583
Insurance claims expenses	(1 680)	(1 292)
Insurance operating expenses	(138)	(100)
Insurance service result before reinsurance contracts held	**66**	**191**
Net result from reinsurance contracts held	(11)	(4)
Insurance service result	**55**	**186**
Key ratios (1)		
Large losses, net of reinsurance	6,0 %	2,9 %
Run-off gains/losses, net of reinsurance	-1,1 %	-0,1 %
Loss ratio, gross	89,2 %	81,6 %
Net reinsurance ratio	0,6 %	0,3 %
Loss ratio, net of reinsurance	89,8 %	81,9 %
Cost ratio	7,3 %	6,3 %
Combined ratio	**97,1 %**	**88,2 %**

(1) Defined as alternative performance measure (APM), described on www.protectorforsikring.no in document "APMs Protector Forsikring 2023"

SWEDEN

Combined ratio 91.9% and 14% growth

RESULTS

The insurance service result was NOK 193 million (237), corresponding to a combined ratio at 91.9% (87.8). The worsened result mainly derives from very poor results in the consumer segment pilot (launched 2022) during the first half year. The unprofitable portfolios have gradually been exited during the second half of the year, improving overall profitability. We have good renewal selection and enter 2024 on a good level.

We aim to be the preferred partner for our brokers. In 2023 our annual broker satisfaction survey, to our disappointment, showed only small improvements. We have received valuable feedback on how to strengthen our relationship and product offering and will work persistently to claim our position as the brokers' best friend.

PREMIUMS

Our 2023 gross written premium amounted to NOK 2,486 million (2,073), representing 20% growth (14% in local currencies). The growth is driven partly by price increases to counter claims inflation, and partly new sales within motor in our small- and medium-sized enterprises segment (SME).

CLAIMS

The loss ratio, net of reinsurance was 78.5% (75.4), including run-off gains at 1.3% on previous years' claims provisions as well as a large loss ratio at 2.0%. Average claims inflation is estimated at around 8% for 2023, driven mainly by the property product, where material and restoration costs have risen the most. The loss ratio increase is largely driven by our consumer insurance initiatives, which have now been exited.

COST

The cost ratio was 13.4% (12.4). The higher cost ratio mainly derives from higher commissions connected to our growth in SME, as well as staffing up to meet current and future growth.

Sweden had an average of 124 FTEs (permanent employees) in 2023. Our culture is always top of mind and especially important when the Swedish team is as big as it is now. The organisation holds most competence in-house, but Nordic specialty resources support on some P&C underwriting. Within claims handling, specialty resources are sourced externally when necessary.

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

NOKm	**2023**	**2022**
Gross written premium	2 486	2 073
Insurance revenue	2 400	1 942
Insurance claims expenses	(1 785)	(1 398)
Insurance operating expenses	(322)	(241)
Insurance service result before reinsurance contracts held	**293**	**303**
Net result from reinsurance contracts held	(99)	(66)
Insurance service result	**194**	**237**
Key ratios (1)		
Large losses, net of reinsurance	2,0 %	7,5 %
Run-off gains/losses, net of reinsurance	-1,3 %	-4,7 %
Loss ratio, gross	74,4 %	72,0 %
Net reinsurance ratio	4,1 %	3,4 %
Loss ratio, net of reinsurance	78,5 %	75,4 %
Cost ratio	13,4 %	12,4 %
Combined ratio	**91,9 %**	**87,8 %**

(1) Defined as alternative performance measure (APM), described on www.protectorforsikring.no in document "APMs Protector Forsikring 2023"

DENMARK

Combined ratio 86.8% and 16% growth

RESULTS
The insurance service result was NOK 176 million (56), corresponding to a combined ratio at 86.8% (94.6). The improved results are mainly derived from price increases and refined risk selection. We have caught up with inflation effects on our claims costs and succeeded in keeping the renewal rate high.

We aim to be the preferred partner for our brokers. In 2023 we took 1st place in our own Broker Satisfaction Index and strive to increase distance to our competitors through our dedication to serving our best friends.

PREMIUMS
Our 2023 gross written premium amounted to NOK 1,407 million (1,077), representing 31% growth (16% in local currencies). The growth is driven by a combination of price increases and strong new sales, especially on commercial housing and motor.

CLAIMS
The loss ratio, net of reinsurance was 79.3% (86.2) including run-off losses at -0.7% on previous years' claims provisions as well as a large loss ratio at 4.4%. Claims inflation was in line with our expectations, and further measures are included in renewal terms set for our clients.

COST
The cost ratio was 7.5% (8.4). The lower cost ratio is mainly driven by volume growth. We have been staffing up to prepare for new clients incepting in 2024. Efficiency gains will be realised throughout 2024 and lead to further reduction in cost ratio.

Denmark had an average of 57 FTEs (permanent employees) in 2023. We are growing in Claims Handling and Broker Service in order to service our growing portfolio. Other functions remain at the same level, thus increasing our overall efficiency.

ANDERS BLOM MONBERG
COUNTRY MANAGER DENMARK

Employee since 2021. Educated from the Danish Insurance Academy and various leadership programs, 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.

NOKm	**2023**	**2022**
Gross written premium	1 407	1 077
Insurance revenue	1 336	1 040
Insurance claims expenses	(1 059)	(938)
Insurance operating expenses	(100)	(87)
Insurance service result before reinsurance contracts held	**177**	**15**
Net result from reinsurance contracts held	(0)	41
Insurance service result	**176**	**56**
Key ratios (1)		
Large losses, net of reinsurance	4,4 %	5,1 %
Run-off gains/losses, net of reinsurance	0,7 %	0,2 %
Loss ratio, gross	79,3 %	90,1 %
Net reinsurance ratio	0,0 %	-3,9 %
Loss ratio, net of reinsurance	79,3 %	86,2 %
Cost ratio	7,5 %	8,4 %
Combined ratio	**86,8 %**	**94,6 %**

(1) Defined as alternative performance measure (APM), described on www.protectorforsikring.no in document "APMs Protector Forsikring 2023"

THE UK 

Combined ratio 82.4% and 84% growth

RESULTS

The insurance service result was NOK 618 million (203), corresponding to a combined ratio at 82.4% (88.8%). The improved result mainly derives from a reduction in net reinsurance ratio driven by a large single loss that is mostly ceded to reinsurers. The cost ratio has also reduced following significant growth in Public Sector and Housing.

We aim to be the preferred partner for our brokers. For the sixth consecutive year Protector UK has retained its #1 position in the BSI survey, and we continue to place highly in external surveys conducted by brokers.

PREMIUMS

Our 2023 gross written premium amounted to NOK 4,321 million (2,116), representing 104% growth (84% in local currencies). The growth is driven most significantly by changes in the market conditions within Social Housing and Leasehold Property. We have stayed disciplined to our underwriting process and principles, and our risk appetite is consistent. However, the rating environment in these subsegments strengthened in 2022/23 to align with our view. Furthermore, some competitors in this market lost their capacity. Commercial products grew in line with expectations.

CLAIMS

The loss ratio, net of reinsurance was 70.4% (74.2) including run-off losses at -2.8% on previous years' claims provisions as well as a large loss ratio at 9.4%. Margin Management activities have ensured that rates have strengthened in line or above inflation, with some differences between products.

COST

The cost ratio was 11.9% (14.6). The lower cost ratio is mainly driven by the exceptional volume growth. We expect recruitment to catch up to growth in 2024. Long term, an embedded strategy to improve efficiency and processes will enable further profitable growth.

UK had an average of 119 FTEs (permanent employees) in 2023. Headcount at the end of the year exceeded 150, reflecting the significant investment we make to support growth. The management teams have been strengthened across the entire business, entirely through internal recruitment.

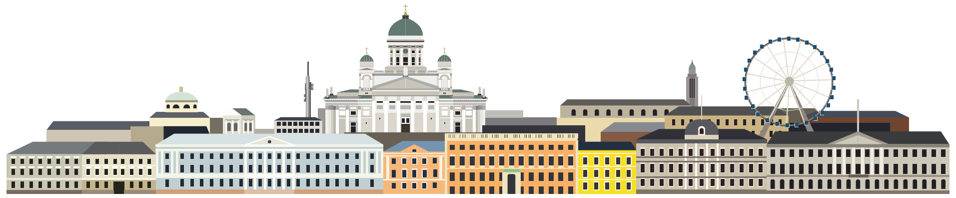
STUART WINTER
COUNTRY MANAGER UK

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

NOKm	**2023**	**2022**
Gross written premium	4 321	2 116
Insurance revenue	3 504	1 814
Insurance claims expenses	(2 467)	(1 237)
Insurance operating expenses	(417)	(264)
Insurance service result before reinsurance contracts held	**619**	**312**
Net result from reinsurance contracts held	(1)	(109)
Insurance service result	**618**	**203**
Key ratios (1)		
Large losses, net of reinsurance	9,4 %	10,0 %
Run-off gains/losses, net of reinsurance	2,8 %	-2,0 %
Loss ratio, gross	70,4 %	68,2 %
Net reinsurance ratio	0,0 %	6,0 %
Loss ratio, net of reinsurance	70,4 %	74,2 %
Cost ratio	**11,9 %**	**14,6 %**
Combined ratio	**82,4 %**	**88,8 %**

(1) Defined as alternative performance measure (APM), described on www.protectorforsikring.no in document "APMs Protector Forsikring 2023"

FINLAND



Combined ratio 86.1% and 7% growth

RESULTS

The insurance service result was NOK 37 million (17), corresponding to a combined ratio at 86.1% (92.8). The improved result mainly derives from strong results in workers´ compensation (WC) and property.

Our ambition is to be the preferred partner for our brokers. In 2023 Protector received good feedback in our Broker Satisfaction Survey, improving from 6th to 2nd place. Scores received both in service and claims handling were at an all-time-high.

PREMIUMS

Our 2023 gross written premium amounted to NOK 268 million (222), representing a 21% growth (7% in local currencies). The growth is driven by short-tailed line of business such as motor and health insurance. Underlying volume development is stable; WC volume is affected by technicalities.

CLAIMS

The loss ratio, net of reinsurance was 72.9% (75.5) including run-off gains at 10.7% on previous years' claims provisions as well as a large loss ratio at 0.0%.

Average inflation has been higher than expected and considered in our renewal strategy, especially in Employee Benefits. During 2023 we have seen a significant change in frequency in the health product, driven by post-covid treatment backlog and challenges in public healthcare.

COST

The cost ratio was 13.2% (17.2). The cost ratio development is mainly affected by our insurance revenue, which again is heavily affected by WC as our largest line of business. Although WC premiums are decreasing, we retain staff to ensure high quality claims handling on our remaining book.

Finland had an average of 22 FTEs (permanent employees) in 2023. In addition to retaining competence on more complex claims handling (WC and MTPL), our focus in 2023 has been on adding resources in underwriting and claims handling for the motor and health lines.

STEFAN SALONEN
GENERAL AGENT & HEAD OF UNDERWRITING

Employee since 2015. Salonen holds a masters 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.

NOKm	**2023**	**2022**
Gross written premium	268	222
Insurance revenue	263	240
Insurance claims expenses	(190)	(180)
Insurance operating expenses	(35)	(41)
Insurance service result before reinsurance contracts held	**38**	**19**
Net result from reinsurance contracts held	(2)	(1)
Insurance service result	**37**	**17**
Key ratios (1)		
Large losses, net of reinsurance	0,0 %	0,0 %
Run-off gains/losses, net of reinsurance	-10,7 %	-2,7 %
Loss ratio, gross	72,3 %	75,0 %
Net reinsurance ratio	0,6 %	0,5 %
Loss ratio, net of reinsurance	72,9 %	75,5 %
Cost ratio	**13,2 %**	**17,2 %**
Combined ratio	**86,1 %**	**92,8 %**

(1) Defined as alternative performance measure (APM), described on www.protectorforsikring.no in document "APMs Protector Forsikring 2023"

INVESTMENTS

The importance of sound capital allocation for long-term value creation

RESULTS
The investment portfolio returned NOK 1,372 million in 2023, with strong contributions from both fixed income and equities. The high yield portfolio stood out in 2023 with returns at 16.2%. 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.

PERFORMANCE IN OUR OWN MANAGED HIGH-YIELD PORTFOLIO
Performance in the fixed income portfolio always need to be evaluated through 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. In 2023 the expected underperformance in a strong high yield market did not materialise. Our portfolio returned 16.2% compared to the DNB HY index, which contains all issued High Yield bonds in the Nordic, that returned 11.2%.

				Yearly	
	HTD*	5 year	1 year	HTD*	5 year
Protector High-Yield	94%	59%	16.2%	8.4%	9.8%
Dnb High Yield Index	54%	26%	11.2%	5.4%	4.8%

*History to date

A combination of no credit losses, general spread tightening and large spread tightening in some large positions contributed to this result. A challenge going forward with Protector's strong growth in Asset Under Management (AUM) is to maintain the allocated weight towards the internally managed High-Yield portfolio. Since 2017 we have increased the HY portfolio with ~50%, while Protector's AUM has doubled. We are not willing to compromise on credit quality and you should expect that Protector's AUM will continue to grow faster than the HY bond portfolio, leading to lower expected yield in the total portfolio.

Our long-term results in the equity portfolio are:

				Yearly	
	HTD*	5 year	1 year	HTD*	5 year
Protector	363%	123,7%	12,1%	18,0%	17,5%
Benchmark	157%	76,9%	13,3%	10,7%	12,1%

*History to date

PRODUCTIVE PARANOIA AT PROTECTOR
In our annual report, we consistently delve into key topics shaping our investment strategies. Last year, we explored the principles guiding our position sizing in equities. This year, we shift our focus to the critical concept of productive paranoia and its absence in various listed companies, underscoring its potential risk to value creation.

At Protector, we uphold a culture of productive paranoia, trying to envision and mitigate potential risks. Our risk-mitigation measures include purchasing put-options, rejecting "red" risks, acquiring reinsurance, and allocating capital for unforeseen events. Our commitment is to take calculated risks while safeguarding the company's long-term viability.

INSIGHTS FROM 2023
The year 2023 revealed the struggles of several companies amid normalised interest rates. We find it perplexing that some companies were caught off guard by this development. To secure our company's survival over the next century, we believe in anticipating adverse developments, such as normalised interest rates, and preparing for economic downturns.

CAPITAL ALLOCATION IN INVESTMENT DECISIONS
Our strategy involves acquiring shares in companies that have significantly depreciated due to market fluctuations. When considering investments, a main concern is the company's resilience during economic downturns and its leverage, exemplified by Storskogen, Seafire, Indus Holding, AFRY, and Dustin.

DUSTIN GROUP CASE STUDY
Our investment in Dustin Group reflects a learning experience. Despite our previous successful encounter in 2016-2018, the company's subsequent challenges highlighted the importance of good capital allocation. The company's high debt levels and the subsequent rights issue underscored the necessity of a comprehensive risk assessment.

ESG CONSIDERATIONS
In our 2022 report, we pledged to address environmental, social, and governance (ESG) issues in invested companies. Our involvement in the nomination committee in Dustin gave us a platform to advocate against an equity issue at low share prices permanently destroying shareholder value, emphasizing the importance of exhausting all alternatives before resorting to such measures. You can read the letter we sent to the board prior to their decision which we published the day of the announcement here: [https://newsweb.oslobors.no/message/601170.](https://newsweb.oslobors.no/message/601170)

IDENTIFYING STRONG CAPITAL ALLOCATORS
Differentiating between good and poor capital allocators is crucial. CEOs and board members often rise through the ranks due to operational skills but may lack expertise in capital allocation. Our scrutiny extends to their alignment with shareholder interests. The Outsiders by Will Thorndike serves as an excellent reference on the significance of per-share value focus.

MISTAKES AND LEARNINGS
The Dustin case revealed our misjudgement of the conflict of interest. Acknowledging this mistake, we've implemented measures to increase communication with board chairpersons, particularly in companies where we play a role in the nomination committee.

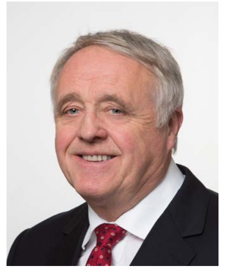
CONCLUSION
This year's focus on the importance of capital allocation underscores its role in long-term value creation. The case of Dustin serves as a reminder of the need for thorough risk assessment, even in seemingly stable investments. As we navigate the ever-evolving landscape, our commitment remains – to identify sound capital allocators.

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 received some recommendations during 2023 and are very thankful. 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

Chairman of the Remuneration 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 17.

ARVE REE

DEPUTY CHAIRMAN

Member of the Remuneration 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 17.

ELSE BUGGE FOUGNER

MEMBER

Member of the Remuneration 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

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

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 Firda AS and Elektroimportøren AS.

Regarded as an independent board member: Yes

Shares in Protector: Yes, see note 17.

TONJE GIERTSEN

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 17.

MATHEWS AMBALATHIL

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 17.

2023 PROTECTOR FORSIKRING ANNUAL REPORT

BOARD OF DIRECTORS' REPORT

Protector Forsikring ASA is a non-life insurance company listed on the Oslo Stock Exchange, with operations in Norway, Sweden, Denmark, Finland and the United Kingdom. The company offers general insurance in the commercial and public sectors, through selected insurance brokers and agents.

Protector has today more than 500 permanent employees spread across the company's offices in Stockholm, Copenhagen, Helsinki, London, Manchester and Oslo (head office).

HIGHLIGHTS FOR 2023:

- 47% growth in gross written premium
- Combined ratio 88.5%
- Investment return 7.9%
- Return on equity after tax 37.7%
- Solvency margin 195%

RESULT

The company reported a profit before tax of NOK 1,933.5 million (1,710.7). The result is due to a strong insurance service result and a strong net income from investments. The return on equity was 37.7% (42.9).

Gross written premium increased by 47% to a total of NOK 10,423.0 million (7 097.8). Adjusted for currency effects, the increase was 37% (21), driven mainly by premium increases, low churn and an extraordinarily strong growth in the United Kingdom. The insurance revenue increased to NOK 9,385.5 million (6,619.1), corresponding to growth of 32% in local currencies.
In the United Kingdom, gross written premium increased by 104% to a total of NOK 4,320.7 million. The growth in the Nordic countries was: 20% in Sweden to a total of NOK 2,485.7 million, 21% in Norway to a total of NOK 1,941.0 million, 31% in Denmark to a total of NOK 1,407.2 million and 21% in Finland to a total of NOK 268.4 million. In local currencies, the growth was 84% in the UK and 16% in the Nordics. On company level, the renewal rate was 104% (93).

The insurance service result was NOK 1,079.9 million (700,8), corresponding to a combined ratio of 88.5% (89.4). The improvement is driven by strong results in the UK, Denmark and Finland and good results in Sweden. In Norway the results were in the weaker end, mainly due to natural peril events and a weak development within motor.

The loss ratio, net of reinsurance, was 77.7% (78.3). Large losses, net of reinsurance, amounted to NOK 550.7 million (425.9) or 5.9% (6.4). The run-off level was -0.3% (2.0). Discounting of claims reserves was higher at 4.2% (2.3), reflecting the higher level of interest rates. The underlying claims ratio (adjusted for large claims, run-off, discounting and risk adjustment) improved by 0.7%. The cost ratio decreased to 10.8% from 11.1% in the prior year driven by premium growth. The premium growth effect was partly offset by higher broker commissions. Excluding broker commissions, the cost ratio was 6.4% (7.2).

The investment activities yielded a total return of NOK 1,371.6 million (500.6), corresponding to 7.9% (3.4). NOK 43.6 million (23.6) of the return is allocated to discontinued operations. The investment return is driven by good returns on both equities and fixed-income securities. The return on the equity portfolio was 9.8% (13.9) and the return on the fixed- income portfolio was 7.6% (1.4).

The net insurance finance result impacted the profit before tax negatively with NOK -383.9 million, (607.0).

The net effective tax rate for the year was 22.7% (20.0). Of total taxes, current tax expense accounted for NOK 396.5 million (262.6) and deferred tax expense for NOK 42.7 million (78.8). Net profit for the year was NOK 1,509.3 million (1,379.0).

Pursuant to the requirements of Norwegian accounting legislation, the Board confirms that the requirements for the going concern assumption have been met and that the annual accounts have been prepared on this basis.

SOLVENCY CAPITAL AND CASHFLOW

Protector's solvency capital requirement ratio (SCR-ratio) calculated in accordance with the Solvency II rules was at the end of 2023 195%. The calculation of the SCR-ratio is described in Note 16. The company's objective is to maintain a SCR-ratio above 150%.

In December, Protector successfully placed a subordinated loan of NOK 650 million. The terms of the loan comply with existing and expected future requirements for subordinated debt eligible as restricted Tier 2 capital. The increase in restricted Tier 2 capital has a 19%-point positive effect on the SCR-ratio.

The company's equity amounted to NOK 4,528.6 million, an increase of NOK 767.1 million. Dividend payments in 2023 have reduced equity by NOK 823.9 million.

Cash flow from operating activities amounted to NOK 27.7 million. Net cash flow was negative by NOK 315.9 million.

Cash and cash equivalents amounted to NOK 832.5 million at the end of 2023. The cash flow reduction is due to the allocation of funds from bank deposits to other financial instruments.

Protectors BBB+ Long-Term Issuer Credit rating from A.M. Best was affirmed in June. Outlooks were revised to positive from stable.

CAPITAL AND RISK MANAGEMENT

Risk-taking is at the core of the company's operations. Continuous monitoring and active management of risk is therefore an integrated area of the company's operations and organisation. Protector's risk management is based on the company targets, strategy and risk exposure limits decided by the Board. The Board defines the framework for the company's risk appetite and the capital which must be available to cover eventual losses. The company's risk exposure is mainly related to insurance risk, liquidity risk, market risk, foreign exchange risk, credit risk, operational risk, strategic risk and climate risk. A detailed description of these can be found in Note 3 and 4.

CORPORATE GOVERNANCE

Protector's governance systems are based on principles set out in the Norwegian Code of Conduct for Corporate Governance. See report on Corporate Governance (from page 85). This report is an integral part of the Report of the Board of Directors.

Protector has liability insurance on behalf of the members of the Board of Directors and the CEO. The insurance additionally covers any person acting in a managerial capacity and includes the company's branches. The insurance policy is issued by a reputable, specialised insurer with appropriate rating.

CORPORATE SUSTAINABILITY

The company has prepared a sustainability report pursuant to section 3-3c of the Norwegian Accounting Act. See report on Corporate Sustainability (from page 91).

The report also includes reporting duties pursuant to Norway's Gender Equality and Discrimination Act as well as the Transparency Act and is an integral part of the Report of the Board of Directors.

PERSONNEL

The numbers of employees increased during the year and amounted to 526 (436) at year-end. The average number of employees during the year was 488 (427), of whom 43% (42%) were women. Principles for remuneration of employees as well as a report on remuneration of executive personnel are published on the company's website www.protectorforsikring.no. A specification of total remuneration of executive personnel is enclosed in Note 21.

EVENTS AFTER THE REPORTING PERIOD

In accordance with the authorisation from the Annual General Meeting, the Board has on 14 February 2024 paid an additional dividend of NOK 412.2 million (equivalent to NOK 5.00 per share) on the basis of the 2022 accounts. The paid dividend is included in other equity as of 31.12.2023.

OUTLOOK

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

Entering 2024, the company has experienced a continuing high renewal rate. In January, our largest inception month, the company experienced 16% growth in local currencies supported by price increases countering for claims inflation. However, the January volume has less significance for the company's annual premium growth than previous years. This is because a significant part of the growth currently comes from the UK, which has a different inception pattern.

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 2024. 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, 6 March 2024
The Board of Directors of Protector Forsikring ASA
All signatures electronically signed

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

INCOME STATEMENT

[NOKm]	Notes	2023	2022
Insurance revenue	5	9 385,5	6 619,1
Insurance claims expenses		(7 181,7)	(5 044,8)
Insurance operating expenses	8. 20, 21, 22	(1 011,2)	(734,5)
Insurance service result before reinsurance contracts held		**1 192,7**	**839,9**
Reinsurance premium		(583,7)	(826,4)
Amounts recovered from reinsurance		470,9	687,3
Net result from reinsurance contracts held		**(112,8)**	**(139,1)**
Insurance service result	**5**	**1 079,9**	**700,8**
Result from investments in associates and joint venture		-	20,1
Interest income and dividend from financial assets		662,3	457,8
Net changes in fair value of investments		(6,6)	(122,8)
Net realised gain and loss on investments		735,6	156,3
Interest expenses and expenses related to investments		(63,3)	(34,4)
Net income from investments	**9, 10**	**1 328,0**	**477,0**
Insurance finance income or expenses - Change in financial assumptions		(159,7)	816,2
Insurance finance income - Unwinding		(273,2)	(144,1)
Insurance finance income or expenses		**(432,9)**	**672,2**
Reinsurance finance income or expenses - Change in financial assumptions		27,1	(88,4)
Reinsurance finance income or expenses - Unwinding		35,6	27,9
Reinsurance finance income or expenses - Other income and expenses		(13,7)	(4,8)
Reinsurance finance income or expenses		**49,0**	**(65,2)**
Net insurance finance income or expenses		**(383,9)**	**607,0**
Total investment return		**944,2**	**1 084,0**
Other income/expenses		(90,6)	(74,0)
Profit/loss before tax		**1 933,5**	**1 710,7**
Tax	15	(439,2)	(341,4)
Discontinued operations	27	15,1	9,7
Profit/loss for the period		**1 509,3**	**1 379,0**
Earnings per share (basic and diluted)		**18,3**	**16,7**

STATEMENT OF COMPREHENSIVE INCOME

[NOKm]	Notes	2023	2022
Profit/(loss) for the period		**1 509,3**	**1 379,0**
Other comprehensive income that may be reclassified subsequently to profit or loss			
Exchange differences from foreign operations		104,8	(40,6)
Tax on other comprehensive income that may be reclassified subsequently to profit or loss	15	(26,7)	11,1
Total other comprehensive income		**78,1**	**(29,5)**
Comprehensive income		**1 587,4**	**1 349,5**

STATEMENT OF FINANCIAL POSITION

[NOKm]	Notes	31.12.2023	31.12.2022
ASSETS			
Loans at amortized cost		30,3	-
Shares		2 888,5	2 522,9
Securities and bonds		14 630,8	10 832,1
Financial derivatives		264,6	65,7
Bank deposits		492,6	839,8
Total financial assets in investment portfolio	**9, 10**	**18 306,9**	**14 260,6**
Cash at bank		323,6	198,5
Other receivables	23	52,2	27,6
Total operational financial assets	**9, 10**	**375,8**	**226,1**
Reinsurance contract assets	6	1 093,3	1 029,1
Intangible assets	13	106,3	95,9
Tangible fixed assets	12, 14	113,1	132,2
Total prepaid expenses		224,4	184,5
Assets discontinued operations	27	654,5	790,7
Total non-financial assets		**2 191,7**	**2 232,4**
Total assets		**20 874,5**	**16 719,1**

[NOKm]	Notes	31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital [82.500.000 shares]	17, 18	82,5	82,5
Own shares		(0,1)	(0,1)
Other paid-in equity		267,7	267,7
Total paid-in equity		**350,1**	**350,1**
Earned equity			
Natural perils capital		26,3	61,6
Guarantee scheme provision		81,8	72,8
Other equity		4 070,4	3 277,1
Total earned equity		**4 178,4**	**3 411,4**
Total equity		**4 528,6**	**3 761,5**
Subordinated loan capital	**4,19**	**1 891,7**	**1 244,7**
Liabilities for remaining coverage	6,7	1 706,2	1 140,6
Liabilities for incurred claims	3, 6, 7	9 815,2	8 127,7
Liabilities for incurred claims risk adjustment	3, 6, 7	1 037,8	881,6
Insurance contract liabilities		**12 559,2**	**10 149,9**
Current tax liability	15	161,4	120,2
Deferred tax liability	15	191,0	147,8
Financial derivatives		241,2	54,8
Other liabilities	11, 22, 24	664,4	480,0
Other incurred expenses and deferred income	25	378,8	335,2
Liabilities discontinued operations	27	258,3	425,1
Total other liabilities		**1 895,0**	**1 563,0**
Total equity and liabilities		**20 874,5**	**16 719,1**

Oslo, 6 March 2024
The Board of Directors of Protector Forsikring ASA
All signatures electronically signed

Jostein Sørvoll
Chairman

Arve Ree
Deputy chairman

Else Bugge Fougner

Kjetil Garstad

Mathews Ambalathil

Randi Helene Røed

Tonje Giertsen

Henrik Golfetto Høye
CEO

STATEMENT OF CHANGES IN EQUITY

[NOKm]	Share Capital	Own shares	Other paid-in equity	Natural perils capital	Guarantee scheme provision	Fund for valuation differences	Other equity	Total
Equity as at 31.12.2021 NGAAP	**82,5**	**(0,1)**	**267,7**	**97,7**	**78,2**	**10,0**	**3 046,2**	**3 582,1**
IFRS Adjustments				(2,9)			(220,4)	(223,3)
Equity at 1.1.2022 IFRS	**82,5**	**(0,1)**	**267,7**	**94,9**	**78,2**	**10,0**	**2 825,8**	**3 358,9**
Profit/(loss) for the period				9,9	(5,4)	(10,0)	1 384,4	1 379,0
Other comprehensive income							(29,5)	(29,5)
Own shares							0,0	0,0
Value changes in synthetic shares[1]							0,4	0,4
Dividend paid							(947,3)	(947,3)
Reclassification of admin.cost				(43,2)			43,2	
Equity 31.12.2022	**82,5**	**(0,1)**	**267,7**	**61,6**	**72,8**	**-**	**3 277,0**	**3 761,5**
Profit/(loss) for the period				(90,3)	9,0	-	1 590,6	1 509,3
Other comprehensive income							78,1	78,1
Own shares							9,8	9,8
Value changes in synthetic shares[1]							(6,3)	(6,3)
Dividend paid							(823,9)	(823,9)
Reclassification of admin.cost				54,9			(54,9)	-
Equity 31.12.2023	**82,5**	**(0,1)**	**267,7**	**26,3**	**81,8**	**-**	**4 070,4**	**4 528,6**

[1] Synthetic shares long term bonus scheme

CASH FLOW STATEMENT

[NOKm]	Notes	31.12.2023	31.12.2022
Cash flow from operations			
Insurance revenue	6	9 807,1	6 505,1
Insurance claims expenses	6	(6 461,6)	(4 535,3)
Insurance operating expenses and other income/expense	6	(709,4)	(413,9)
Net expense from reinsurance contracts	6	(30,9)	(46,7)
Dividends received	9, 10	134,6	114,8
Interest received	9, 10	549,3	367,6
Net payments from financial instruments		(2 898,2)	(1 792,2)
Payable tax	15	(363,3)	(320,6)
Net cash flow from operations		**27,7**	**(121,4)**
Cash flow from investment activities			
Investments in fixed assets	12, 13, 14	(71,7)	(43,8)
Net cash flow from investment activities		**(71,7)**	**(43,8)**
Cash flow from financial activities			
Dividend paid		(823,9)	(947,3)
Proceeds from issue / (Repayment) of subordinated loan capital	19	647,0	(140,0)
Interest payments on subordinated loan capital	19	(95,0)	(66,6)
Net cash flow from financial activities		**(271,9)**	**(1 153,9)**
Net cash flow for the period		**(315,9)**	**(1 319,0)**
Net change in cash and cash equivalents		(315,9)	(1 319,0)
Cash and cash equivalents opening balance		1 080,3	2 407,2
Effects of exchange rate changes on cash and cash equivalents		68,1	(7,9)
Cash and cash equivalents closing balance		**832,5**	**1 080,3**

STATEMENT OF TRANSITION TO IFRS

[NOKm]	IFRS 01.01.2022	NGAAP 31.12.2021	Change
Assets			
Financial assets			
Shares in associated companies	127,3	127,3	-
Shares	1 824,4	1 824,4	-
Securities, bonds etc	9 179,3	9 179,3	-
Financial derivatives	94,1	94,1	-
Bank deposits	1 935,5	1 935,5	-
Total financial assets	**13 160,7**	**13 160,7**	**-**
	-	-	-
Reinsurance contract assets	1 128,9	3 149,3	(2 020,4)[1]
Intangible fixed assets	73,3	73,3	-
Tangible fixed assets	166,8	34,0	132,8[2]
Cash and bank deposits	300,0	300,0	-
Policyholders receivables	-	523,2	(523,2)[1]
Other receivables	65,2	95,3	(33,1)[1]
Total prepaid expenses	152,4	462,5	(310,1)[1]
Assets discontinued operations	1 267,6	1 448,0	(180,5)[1]
Total assets	**16 311,8**	**19 246,3**	**(2 934,5)**

[NOKm]	IFRS 01.01.2022	NGAAP 31.12.2021	Change
Equity and liabilities			
Shareholders' equity			
Share capital [82.500.000 shares]	82,5	82,5	-
Own shares	(0,1)	(0,1)	-
Other paid-in equity	267,7	267,7	-
Total paid-in equity	**350,0**	**350,0**	**-**
Earned equity			
Natural perils capital	94,9	97,7	(2,9)[1]
Guarantee scheme provision	78,2	78,2	-
Fund for valuation differences	10,0	10,0	-
Other equity	2 825,8	3 046,2	(220,4)[1]
Total earned equity	**3 008,8**	**3 232,1**	**(223,3)**
Total equity	**3 358,9**	**3 582,1**	**(223,3)**
Subordinated loan capital	**1 384,7**	**1 384,7**	**-**
Insurance liabilities			
Insurance liabilities	9 878,7	9 979,6	(100,8)[1]
Liabilities in connection with direct insurance		73,4	(73,4)[1]
Liabilities in connection with reinsurance		2 238,3	(2 238,3)[1]
Current tax liability	191,2	191,2	-
Deferred tax liability	50,6	121,6	(71,0)[1]
Financial derivatives	26,1	26,1	-
Other liabilities	459,7	286,6	173,1[1,2]
Other incurred expenses and prepaid income	298,1	528,9	(230,8)[1]
Liabilites discontinued operations	663,7	833,8	(170,1)[1]
Total equity and liabilities	**16 311,8**	**19 246,3**	**(2 934,5)**

[1]Change due to implementation of IFRS 17
[2]Change due to implementation of IFRS 16

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 shares throughout the year, net of treasury shares.

[NOKm]	IFRS 01.01.2022	NGAAP 31.12.2021	Change
Profit for the year assigned to the company's shareholders	1 482,3	1 232,1	250,3
Weighted average number of shares	82 351 250	82 351 250	-
Earnings per share	18,0	15,0	3,0

EARNINGS PER SHARE CONTINUED OPERATIONS			
[NOKm]	**IFRS 01.01.2022**	**NGAAP 31.12.2021**	**Change**
Profit for the year assigned to the company's shareholders	1 380,3	1164,7	215,6
Weighted average number of shares	82 351 250	82 351 250	-
Earnings per share	16,8	14,1	2,6

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING PRINCIPLES

General
The company's financial statements are prepared in accordance with the Financial Statement Regulation for Non-life Insurance Companies (Forskrift om årsregnskap for Skadeforsikringsselskaper) and IFRS® Accounting Standards as adopted by the EU.

Changes in accounting principles
The Ministry of Finance has adopted changes to the accounting rules for insurance companies as a result of IFRS 17. The changes came into force with effect for accounting years starting from January 1st 2023. This means that Protector reported according to full IFRS from January 1st 2023. Comparable figures for 2022 have been restated to IFRS. The main change 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 and reinsurance contracts held. The purpose of the new standard is to establish a uniform practice for accounting for insurance contracts other standards that was implemented in 2023, as a result of the transition to full IFRS, are 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 has implemented the simplified method, Premium Allocation Approach (PAA) to measure the insurance contracts and the reinsurance contracts held. 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 estimated that the liability for remaining coverage will not 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 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.

Applying the PAA model, Protector will measure the LRC on initial recognition. The main principles under the PAA are to accrue premium received over the coverage period. The LRC at initial recognition comprises the premium 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 including the premium received during the period, less the amount recognized as insurance revenue for services provided in that period. LRC corresponds to the provision for unearned premium including deductions for premium receivables. Insurance acquisition cash flows are directly expensed for contracts with a coverage period of one year or less, or when they are deemed to be immaterial.

The LIC, comprising the fulfilment cash flows related to past services, is measured according to best estimate of future payments for incurred claims, claims expenses and other costs directly attributable to the underlying insurance contracts, adjusted for time value of money, the financial risks related to the future cash flows and with a risk adjustment for non-financial risk.

Reinsurance contracts held will be presented separately from insurance contracts issued.

Contracts discounting
Protector discount LIC for all products. Swap rates are used in discounting for the respective currencies.

LRC can also be discounted to reflect the time value of money. This adjustment is not mandatory under PAA. For LRC, most of the premium are received less than a year after coverage is provided. In addition, a substantial part of the premium is paid monthly or quarterly. This means that the financing component of LRC is not significant, and therefore the LRC is not adjusted for time value for money and the effect of financial risk.

Risk adjustment
Risk adjustment for non-financial risk (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. A percentile approach is applied, where the level of risk adjustment represents the 85 percentile of the ultimate probability distribution for the liability for incurred claims. Risk adjustment is estimated excluding discounting effects. A simulation-based model is used to simulate outcomes of undiscounted liability for incurred claims, where undiscounted liability for incurred claims defines the expected value of estimated run off scenarios. The 85 percentile is applied on company level, meaning that undiscounted liability for incurred claims including RA would suffice to cover 85% of the estimated run off scenarios until all claims are expected value of estimated run off. Changes in RA are recognised in insurance service result.

The reinsurance result is presented separately from the result from issued insurance contracts in the financial statement. Insurance finance income or expenses is fully presented in profit & loss.

Financial assets and liabilities
Recognition and derecognition
Financial assets and liabilities are recognised in the statement of financial position from the time Protector becomes party to the instrument's contractual terms and conditions. Regular way purchases or sales are recognised on the transaction date. When a financial asset or a financial liability is initially recognised in the financial statements, it is measured 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 substantially 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 & loss if they are included in a portfolio that is measured and evaluated regularly at fair value. The investment portfolio is managed and evaluated regularly on a fair value basis and thus measured at FVTPL. This is according to the Board of Directors' approved risk management and investment strategy. Financial assets that are measured to fair value through profit & loss are recognised at fair value when acquired, and transaction costs are recognised profit & loss immediately.

Financial assets and liabilities at amortised cost

Financial assets which have a contractual cash flow held to collect and that are only payment of principal and interest are classified and measured at amortised cost. Financial assets and liabilities are measured at amortised cost using an effective interest method. Transaction costs that are directly attributable to the issue of the loan are included in the amortised cost. Financial assets and liabilities at amortised cost consist respectively of loans to other external parties and subordinated loan capital.

Impairment for expected credit losses
Impairment on assets measured at amortised cost is based on expected credit losses (ECL). This will also cover any ECL at the time of granting (stage 1) arising from default within 12 months. ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. At each reporting date, Protector assesses whether financial assets measured at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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 do not affect the profit & loss significant, but will have some effect on the balance sheet and classification in the income statement. The rent is divided into depreciation on the leasing asset and interest on the leasing debt.

Foreign Currency
The company and the branches have Norwegian, Swedish and Danish kroner, British Pounds 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 & loss items related to Sweden, Denmark, Finland and UK are translated into NOK at average rate, unless exchange rates fluctuate significantly. 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.

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.

Fixed assets and intangible assets
Fixed assets and intangible assets are recognised at acquisition cost, and 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.

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, or the Board of Directors by power of attorney, 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, where it is probable that this will result in the payment or transfer of other assets to settle the obligation, and where 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. As Protector has no further obligations other than payment of contributions, no provisions are required. Defined contribution pension plans are expensed directly.

Tax
The tax expense in the income statement consists of tax payable for the accounting period, and the period's changes in deferred tax. The rate of corporation tax applied in the accounting periodwas 25% on deferred tax and on payable tax.

Deferred tax the tax expected to be payable or recoverable in the future arising from temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, together with tax losses 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 that not that the tax assets will be utilised.

Tax is recognised in the income statement, except when it relates to items recognised in other comprehensive income or directly to equity, in which case it is recognised in other comprehensive income or in equity.

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 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 fair value measurement of financial instruments particularly related to instruments that are not quoted in an active market. See note 9.

Portfolio of insurance contracts

The choice of aggregation level is based on homogeneous product groups, that are reported to the Board. The aggregation level is based on products that represent similar risk, that the size of the aggregated group is significant to credibly estimate profitability and that the aggregated group have common management of profitability and decision makers in the organization.

Insurance contract liability

Use of estimates in measurement of insurance contract liabilities is primarily applicable for the liability for incurred claims. 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 include coverage for personal injuries and liability claims. The uncertainty in the estimates of the liability for incurred claims is highest for products with long settlement periods. The uncertainty is reflected in the risk adjustment estimates for the different lines of business.

For products with long settlement periods the risk is linked to the fact that the total claims cost must be estimated based on experience and empirical data. For certain personal injury claims, it may take 10 to 15 years before all claims that incurred in a particular year are reported to the company. In addition, there will be several claims where the reported information is inadequate to calculate reliable liability for incurred claims. This may be due to ambiguity concerning the causal relationship and uncertainty of the claimants' future work capacity etc. Several personal injury claims are tried in the court system, and the average level of compensation for such claims has increased over time. All claims that incurred in previous years and have not yet been settled are subject to claims inflation. The risk related estimates of the future cash flows for lines of business covering personal injuries inherit risk of regulatory changes and claims inflation. To reduce this risk, the company estimates its liability for incurred claims based on various methods and have implemented control mechanisms to ensure that the that the registered liability for incurred claims is updated at all times based on the most recent information of the claims and regulatory rates and indices. The assumptions related to future inflation estimates are considered to be a financial risk. Liability for incurred claims includes amongst others RBNS (Reported But Not Settled), IBNR (Incurred But Not Reported) and ULAE (Unallocated Loss Adjustment Expenses). RBNS is estimated based on information on single claims basis and could appear as standard reserves (based on previous experience with similar claims), where limited information is available or claims handler's assessments, based on available information related to the individual claims.

IBNR are estimated based on actuarial models. Models applied are mainly variations based on Bornhuetter-Ferguson and Chain Ladder methodologies. Bornhuetter-Ferguson is generally applied to products with long settlement periods, while Chain Ladder could be considered appropriate for products with short settlement periods. The claims volume and period of exposure are assumed to be sufficient for most lines of business in Norway, to estimate a reliable run-off pattern solely based on company data. Market data combined with company's claims experience is used to estimate a complete run off pattern for lines of business where the company's claims statistics is assumed to be insufficient to estimate reliable run off patterns, in terms of either claims volume or maturity. Insufficient maturity applies to Workers' Compensation in Denmark and Finland, as well as Liability products in the UK. The models are useful support to IBNR estimations, but all estimates are always subject to sanity checks, and assessments of information not covered by model assumptions. Gross IBNR is estimated per combination of accident year / segment / line of business / country. Net IBNR is calculated proportionally to the net premium where there are ceded premium. IBNR is in general set on aggregated portfolio level. On rare occasions, where available claims information is not reflected in RBNS, individual IBNR is applied on single claims basis, until RBNS is updated.

ULAE is the company's estimate of the cost related to future claims handling, that is not allocated to the individual claims reserve. ULAE is estimated based on expected remaining time to settle the claims already incurred but not yet settled, and salaries for the corresponding claims handlers.

Following implementation of IFRS 17, Risk Adjustment is included, and discounting is applied to liability for incurred claims.

Risk Adjustment reflects a security margin that liability for incurred claims would suffice until all claims are settled with 85% probability. Lines of business with long time to settlement and exposed to high claims severity generate relatively higher risk adjustment than lines of business with short time to settlement and more exposure for claims frequency.

Discounting is applied on liability for incurred claims with swap rates adopted to the currency of the claims provision where discounting is applied. Estimated payment pattern consistent with assumptions applied to IBNR reservation is applied to estimate cash flow subject to discounting. Lines of business with longer time to settlement generate more significant discounting effect than lines of business with short time to settlement.

The financial effect of discounting is decomposed in three elements, including "current period's change", "unwinding" and "change in assumptions".

"Change in assumptions" include the effect of interest rate change and represent the difference between current discounting effect and simulated effect of last reporting period's swap rates applied on current claims provision.

"Unwinding" represents the expected reduction of discounting effect on liability for incurred claims during the period, assuming claims payment during the period follow the projected payment pattern used for discounting. The unwinding effect is predetermined, based on last reporting period's assumptions, and can be estimated to be "discounting effect" multiplied by the period elapsed since last reporting period, divided by the estimated duration of the claims provision.

"Current period's change" represents the discounting effect of liability for incurred claims stemming from claims incurred during the reporting period and deviations from last period's expected claims development assumptions.

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows with risk free interest rate, including illiquidity premium where applicable. Risk free interest rates are determined by reference to the yields of highly liquid AAA-rated sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates. Observable market rates are either inputs such as quoted prices for identical assets or liabilities in active markets, or inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Discount rates applied for discounting of future cash flows are listed below:

	1 year		3 years		5 years		10 years	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Insurance contracts issued								
NOK	4,21 %	3,38 %	3,67 %	3,37 %	3,43 %	3,26 %	3,33 %	3,29 %
SEK	3,55 %	3,70 %	2,59 %	3,41 %	2,38 %	3,27 %	2,36 %	3,12 %
DKK	3,19 %	3,82 %	2,72 %	3,44 %	2,62 %	3,40 %	2,67 %	3,35 %
EUR	3,35 %	3,67 %	2,46 %	3,24 %	2,36 %	3,18 %	2,46 %	3,19 %
GBP	4,73 %	4,45 %	3,69 %	4,33 %	3,38 %	4,10 %	3,29 %	3,75 %
Reinsurance contracts issued								
NOK	4,21 %	3,38 %	3,67 %	3,37 %	3,43 %	3,26 %	3,33 %	3,29 %
SEK	3,55 %	3,70 %	2,59 %	3,41 %	2,38 %	3,27 %	2,36 %	3,12 %
DKK	3,19 %	3,82 %	2,72 %	3,44 %	2,62 %	3,40 %	2,67 %	3,35 %
EUR	3,35 %	3,67 %	2,46 %	3,24 %	2,36 %	3,18 %	2,46 %	3,19 %
GBP	4,73 %	4,45 %	3,69 %	4,33 %	3,38 %	4,10 %	3,29 %	3,75 %

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 in the Nordic market and UK. Protector covers the most common lines of business within general insurance.
Protector seeks to diversify the insurance portfolio to reduce the variability of the expected results.

Underwriting risk

Underwriting risk is the risk related to whether charged premium are sufficient to cover liabilities related to the insurance contracts in force. Underwriting risk may arise from inaccurate assessment of the risks associated with the written insurance policies or from uncontrollable factors.

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 the type of insurance risks, as well as acceptable limits of liabilities 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 are combinations of quota share and XL structures, further reduces the risk exposure. Insurance risks are assessed moderate, considering the reinsurance covers in place.

Reserve risk

Reserve risk is the risk of loss, or of adverse change, in the value of insurance liabilities, resulting from fluctuations in the timing and amount of claims settlements for events that have occurred at, or prior to the reporting date.

As the policy period elapses, the insurance risk transacts from underwriting to reserve risk, where the part of premium provisions that expects to result in future payments for claims incurred, are included in liability for incurred claims. Clients will always report claims with a certain delay. Depending on the complexity of the claim, a shorter or longer period of time passes until the amount of the claim has been finally settled. This may be a prolonged process particularly for personal. Even when the claim is assumed to be settled, there is a risk that it will be resumed at a later date and generate further payments.

The amount of the liability for incurred claims is estimated based on combinations of individual assessments and actuarial calculations. The table below shows how future cash flow is related to provisions for outstanding claims for own account on 31 December.

UNDISCOUNTED CASH FLOW CONNECTED TO NET LIABILITY FOR INCURRED CLAIMS

[NOKm] At 31 December 2023	Total	0 - 1 years	1 - 2 years	2-3 years	3-4 years	4-5 years	More than 5 years
'Liability for incurred claims	9 067,5	3 123,6	1 412,7	967,4	717,3	495,2	2 351,4

The calculation of liability for incurred claims will always be subject to significant uncertainty. Historically, many insurers have experienced substantial positive as well as negative impacts on profit (run-off) resulting from reserving risk.

Reserving risk is managed by compliance with a reserving policy, covering the process for determining provisions for claims, and is updated and aligned at all times according to relevant principles for the risk exposure. Included in the reserving policy is processes for model evaluations and control mechanisms.

The table below illustrates development of total claims estimates in Protector:

GROSS CLAIMS DEVELOPMENT

[NOKm]	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
2014	1 435,1										1 435,1
2015	1 400,4	1 793,8									3 194,2
2016	1 447,4	1 744,3	2 288,8								5 480,5
2017	1 390,3	1 722,2	2 359,9	3 554,6							9 027,1
2018	1 353,3	1 708,7	2 341,5	3 483,9	3 882,6						12 770,0
2019	1 330,0	1 728,2	2 410,8	3 505,7	3 991,9	4 318,7					17 285,3
2020	1 379,3	1 798,7	2 551,6	3 535,3	4 104,7	4 329,9	4 018,7				21 718,1
2021	1 382,3	1 847,4	2 535,5	3 531,7	4 197,5	4 283,9	3 979,0	3 992,6			25 750,0
2022	1 385,9	1 858,5	2 534,4	3 605,3	4 237,3	4 409,1	3 955,8	3 876,3	4 826,1		30 688,7
Estimated amount as at 31.12.2023	1 380,8	1 882,4	2 602,5	3 675,4	4 287,1	4 554,1	4 023,1	3 819,4	5 411,6	6 656,9	38 293,4
Total disbursed	1 257,1	1 649,8	2 159,9	3 259,5	3 645,0	3 593,6	3 131,2	2 882,3	3 409,4	2 770,5	27 758,4
Liability for incurred claims before discounting	123,7	232,6	442,5	415,9	642,1	960,5	891,9	937,1	2 002,2	3 886,4	10 534,9
Discounting effect	21,4	43,4	86,3	72,3	108,7	162,7	136,2	127,5	240,6	325,3	1 324,4
Liability for incurred claims	102,3	189,2	356,3	343,6	533,3	797,9	755,7	809,5	1 761,6	3 561,1	9 210,6
Liability for incurred claims from claims prior years (before 2014)											101,9
Liability for indirect claims handling costs (ULAE)											502,7
Total Liability for incurred claims											9 815,2

The size of liability for incurred claim

Insurance events are random, and the number and amount of claims and benefits will vary from year to year from the initial estimates, using statistical techniques. Experience demonstrates 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 lines of business at risk. Increase in the frequency of claims can be caused by seasonal effects or effects related to trends or shifts in underlying risk. Lines of businesses, where claims frequency is low, severe claims are more likely to have a greater impact to results. For all lines of business, inflation impacts the underlying development of the claim's severity.

Sensitivities

The liability for incurred claims is sensitive to the key assumptions in the table below. Quantification of the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process have not been estimated, due to lack of reliable estimates.

The following sensitivity analysis shows the impact on gross and net liabilities, profit before tax and equity for reasonably likely deviations in key assumptions, and other assumptions (refer Note 2) unchanged. The correlation of assumptions expect to have significant effects in determining the ultimate estimates. To demonstrate the impact caused by changes in individual assumption, assumptions have been changed individually. Movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions are unchanged since the previous reporting period.

SENSITIVITY ANALYSIS

	2023				
[NOKm]	**Change in assumptions**	**Impact on profit before tax gross of reinsurance**	**Impact on profit before tax net of reinsurance**	**Impact on equity gross of reinsurance**	**Impact on equity net of reinsurance**
Weighted average term to settlement	10 %	113,3	82,3	84,9	61,7
Expected loss	10 %	(981,5)	(812,1)	(736,1)	(609,1)
Inflation rate	1 %	(401,0)	(280,2)	(300,8)	(210,2)
Weighted average term to settlement	-10 %	(115,5)	(83,5)	(86,6)	(62,6)
Expected loss	-10 %	981,5	812,1	736,1	609,1
Inflation rate	-1 %	365,9	259,7	274,4	194,8
	2022				
[NOKm]	**Change in assumptions**	**Impact on profit before tax gross of reinsurance**	**Impact on profit before tax net of reinsurance**	**Impact on equity gross of reinsurance**	**Impact on equity net of reinsurance**
Weighted average term to settlement	10 %	100	62	75	46
Expected loss	10 %	(813)	(578)	(610)	(433)
Inflation rate	1 %	(329)	(201)	(247)	(150)
Weighted average term to settlement	-10 %	(103)	(64)	(77)	(48)
Expected loss	-10 %	813	578	610	433
Inflation rate	-1 %	303	186	227	139

Sensitivity of underwriting risk is stressed by adjusting future claims expenses, including claims handling cost with +/- 10% of the projected claims expenses. Applied stress factors may arise from inaccurate assessment of the risks associated with the written insurance policies or from uncontrollable factors.

Sensitivity of reserve risk is stressed by adjusting the expected time to settlement with +/- 10%, resulting in correspondingly different discounting effects. The applied stress factor may arise from failure to understand the claims development pattern or changes in risk, causing the future claims development pattern to differ from the historic development.

Additionally, insurance liabilities are stressed with the event that annual inflation rates are 1%-point higher than assumed inflation, resulting in correspondingly different valuations of insurance liabilities, where Lines of Business with the longest assumed time to claims settlement are affected more severely. The applied stress factor may arise from changes in the legal environment or macro economic conditions.

NOTE 4 FINANCIAL 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. Protector do not have any insurance contracts that are payable on demand.

CASH FLOW FOR FINANCIAL LIABILITIES GROUPED BY MATURITY

[NOKm] At 31 December 2023	**Less than one year**	**1 - 3 years**	**More than 3 years**	**Total cash flow**	**Total carrying amount**
Subordinated debt*	160,0	1 125,7	1 170,2	2 456,0	1 891,7
Foreign exchange derivatives	241,2			241,2	241,2
Financial liabilities excl. other liabilities**	401,2	1 125,7	1 170,2	2 697,1	2 132,9

* The cash flow is calculated up to the first call
** Other liabilities are specified in note 24 and has a maturity less than one year, with the exception of lease liabilities. Cf. note 12 for maturity analysis.

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. Protector is exposed to risks related to changes in the level of volatility of market prices of equities, credit spreads and interest rates through its investment activities.

A decline of 10% in the market value of equities is estimated to affect profit before tax negatively by NOK 280,3 million including the use of put options.

A one %-point increase (100 bps) in credit spread would lead to an estimated loss of NOK 291,6 million, corresponding to a credit spread sensitivity of approximately 1.9%.

An increase of one %-point (100 bps) in interest rates will lead to a reduction in the portfolio of bonds and other fixed-income securities by an estimate of NOK 355,9 million before tax.

This corresponds to an interest rate sensitivity of approximately 2.2% and includes the use of interest rate swaps.

SENSITIVITY ANALYSIS					
[NOKm]	Change in assumptions	Impact on profit before tax	Impact on profit/ equity[2]	Impact on profit before tax	Impact on profit/equity[2]
Change in market value of equities[1]	10 %	+/- 280,3	+/- 210,2	+/- 246,3	+/- 184,7
Change in credit spreads	1 %	+/- 291,6	+/- 218,7	+/- 263,4	+/- 197,5
Change in interest rates[1]	1 %	+/- 355,9	+/- 267,0	+/- 311,8	+/- 233,9

[1] Including hedging instruments.
[2] Calculated using 25% tax rate.

Foreign exchange risk
Foreign exchange risk is defined as the financial loss resulting from 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%, within permitted limit of +/- five % per currency.

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.

Outstanding claims against the company's reinsurers represent a credit risk. Counterparty risk on the reinsurance market is assessed on a continuous basis.

Protector normally buys reinsurance through reinsurers with a credit rating of A- (S&P), or higher. The total credit risk in the company is regarded as acceptable.

RATING		
[NOKm]	2023	2022
Bonds and other fixed-income securities		
AAA	3 977,0	3 065,6
AA	334,7	546,5
A	806,2	872,0
BBB	1 089,8	661,6
BB	506,3	323,7
B	130,5	34,5
No rating	5 875,6	4 849,6
Total bond by rating	**12 720,1**	**10 353,5**
Bond fund not managed by Protector	2 391,1	1 014,1
Total bonds and other fixed-income securities	**15 111,2**	**11 367,6**
Bank deposits related to investment portfolio		
AA	251,2	220,7
A	171,1	531,3
BBB	-	-
No rating	86,7	129,3
Total bank deposits related to investment portfolio	**508,9**	**881,3**
Loans at amortised cost		
No rating	30,3	-
Total loans at amortised cost	**30,3**	**-**

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 A- 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 weighted average for the bond portfolio is assessed as investment grade (IG) based on both official ratings and internal ratings. The calculation is the average of a linear scale where AAA-rating has value 1 and CCC-rating has value 17 where we use official ratings whenever available and internal rating where official ratings are not available. Our portfolio and rating assessment reflect the Nordic bond market where IG-issuers are mainly rated, and HY-issuers are mainly unrated.

The company manages the investment portfolio in compliance with Solvency II, cf. Art 132 (”Prudent Person Principle”) and the Financial Undertakings Act, cf. § 13-10 which requires emphasis on prudent funding, safety, risk diversification and income, and adapting the investment management accordingly to changes in risk related to the different business areas.

Qualitative and quantitative limits for the company’s AUM is specified in the investment management mandate is reviewed, updated and approved by the Board of Directors at least once a year, or with a higher frequency if needed. The compliance of the requirements of investment management mandate is monitored internally and is reported internal in the company and to the Board of Directors on regular basis. The company have established an ORSA-process and risk reporting that among other things monitors and reports the company’s risk exposure to the Board of Directors.

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 2023 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.

Climate Risk

The company has also exposure to risk related to climate and climate change. Assessment of risks related to climate changes is a part of the company’s risk management system. Assessment of potential risks factors and impact on Protector’s (insurance) business are carried out with a starting point in publications by Intergovernmental Panel on Climate Change (IPCC) analysing climate change and future scenarios, analysis and assessments of risk factors and potential impacts related to climate and climate change carried by Task Force on Climate-related Financial Disclosures (TCFD), United Nations Environment Programme (UNEP) Finance Initiative, and EIOPA.

Protector is, at the outermost, exposed to either transitional or physical risk related to climate changes. Transition risk, being a risk that arise from the transition to a low-carbon and climate resilient economy, is closely related to Representative Concentration Pathway (RCP) 2,6; a stringent mitigation scenario that aims to keep global warming likely below 2°C above pre-industrial temperatures, but unlikely to exceed 2°C. Transition risk has an inherent low visibility and potentially a wide range of possible outcomes not yet observed as a result of being related to future changes in policy, legal environment, technology, consumer behaviour etc. Physical risk, being risk that arises from the physical effects of climate change, is closely related to RCP8,5; a scenario without additional efforts to constrain emissions, resulting in very high greenhouse gas (GHG) emissions. Global surface temperature change for the end of the 21st century (2081–2100) is projected to likely exceed 2°C in a range of 2,6°C to 4,8°C. Physical risk is more observable and currently lends itself better for an assessment of potential risks and consequences. It has to be observed though that the confidence interval for assessment of potential consequences is wide especially beyond the short-term horizon.

NOTE 5 SEGMENT INFORMATION

	UK		Sweden		Norway		Denmark		Finland		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Insurance revenue	3 503,6	1 813,6	2 399,8	1 942,4	1 883,4	1 582,5	1 335,8	1 040,4	263,0	240,2	9 385,5	6 619,1
Insurance claims expenses	(2 467,3)	(1 237,3)	(1 785,1)	(1 398,1)	(1 679,6)	(1 291,5)	(1 059,4)	(937,8)	(190,3)	(180,1)	(7 181,7)	(5 044,8)
Insurance operating expenses	(417,1)	(264,3)	(322,2)	(241,3)	(137,5)	(100,4)	(99,7)	(87,2)	(34,7)	(41,4)	(1 011,2)	(734,5)
Insurance service result before reinsurance contracts held	**619,1**	**312,0**	**292,5**	**303,1**	**66,3**	**190,7**	**176,7**	**15,4**	**38,0**	**18,7**	**1 192,7**	**839,9**
Reinsurance premium	(364,8)	(343,7)	(119,7)	(212,0)	(27,8)	(144,3)	(69,6)	(108,4)	(1,8)	(18,0)	(583,7)	(826,4)
Amounts recovered from reinsurance	363,9	235,1	20,7	146,3	16,8	139,9	69,2	149,2	0,3	16,7	470,9	687,3
Net result from reinsurance contracts held	**(0,8)**	**(108,6)**	**(99,0)**	**(65,6)**	**(11,1)**	**(4,4)**	**(0,4)**	**40,9**	**(1,5)**	**(1,3)**	**(112,8)**	**(139,1)**
Insurance service result	**618,3**	**203,4**	**193,5**	**237,4**	**55,2**	**186,3**	**176,3**	**56,3**	**36,6**	**17,4**	**1 079,9**	**700,8**
Large losses, net of reinsurance	9,4 %	10,0 %	2,0 %	7,5 %	6,0 %	2,9 %	4,4 %	5,1 %	0,0 %	0,0 %	5,9 %	6,4 %
Run-off gains/losses, net of reinsurance	2,8 %	-2,0 %	-1,3 %	-4,7 %	-1,1 %	-0,1 %	0,7 %	0,2 %	-10,7 %	-2,7 %	0,3 %	-2,0 %
Change in risk adjustment, net of reinsurance	2,6 %	2,8 %	0,2 %	0,4 %	0,4 %	1,0 %	1,9 %	0,1 %	3,2 %	1,5 %	1,5 %	1,2 %
Discounting effect	-6,0 %	-4,1 %	-1,8 %	-0,9 %	-1,8 %	-2,9 %	-5,8 %	-1,0 %	-9,3 %	-2,3 %	-4,2 %	-2,3 %
Loss ratio	70,4 %	68,2 %	74,4 %	72,0 %	89,2 %	81,6 %	79,3 %	90,1 %	72,3 %	75,0 %	76,5 %	76,2 %
Net reinsurance ratio	0,0 %	6,0 %	4,1 %	3,4 %	0,6 %	0,3 %	0,0 %	-3,9 %	0,6 %	0,5 %	1,2 %	2,1 %
Loss ratio, net of reinsurance	70,4 %	74,2 %	78,5 %	75,4 %	89,8 %	81,9 %	79,3 %	86,2 %	72,9 %	75,5 %	77,7 %	78,3 %
Cost ratio	11,9 %	14,6 %	13,4 %	12,4 %	7,3 %	6,3 %	7,5 %	8,4 %	13,2 %	17,2 %	10,8 %	11,1 %
Combined ratio	82,4 %	88,8 %	91,9 %	87,8 %	97,1 %	88,2 %	86,8 %	94,6 %	86,1 %	92,8 %	88,5 %	89,4 %

As of 31.12.23, Protector do not have any onerous insurance contracts with loss-recovery components.

NOTE 6 INSURANCE CONTRACT ASSETS & LIABILITIES
Reconciliation of the liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims 2023.

	2023			
	Contracts under PAA			
[NOKm]	Liabilities for remaining coverage[1]	Liabilities for incurred claims		Total
		Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Insurance contract liabilities as at 01.01 (opening balance)	**1 140,6**	**8 127,7**	**881,6**	**10 149,9**
Changes in the statement of profit or loss and OCI				
Insurance revenue	9 385,5	-	-	9 385,5
Insurance claims expenses	-	(6 645,2)	(106,6)	(6 751,8)
Run-off previous years adjustments	-	(429,9)	-	(429,9)
Insurance operating expenses which affect insurance contract liabilities	-	(968,7)	-	(968,7)
Insurance service result before reinsurance contracts held	**9 385,5**	**(8 043,8)**	**(106,6)**	**1 235,1**
Insurance finance income or expense	**-**	**(432,9)**	**-**	**(432,9)**
Total changes in the statement of profit or loss and OCI	**9 385,5**	**(8 476,7)**	**(106,6)**	**802,2**
Cash flows				
Premiums received	9 807,1	-	-	9 807,1
Claims paid	-	(6 278,2)	-	(6 278,2)
Other expenses paid which affect insurance contract liabilities	32,4	(927,3)	-	(894,9)
Total cash flows	**9 839,5**	**(7 205,5)**	**-**	**2 634,0**
Exchange rate differences	111,6	416,2	49,6	577,5
Insurance contract liabilities as at 31.12	**1 706,2**	**9 815,2**	**1 037,8**	**12 559,2**

[1] As of 31.12.23, Protector do not have any onerous insurance contracts with a loss component

NOTE 6 INSURANCE CONTRACT ASSETS & LIABILITIES cont.
Reconciliation of the liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims 2022.

	2022			
	Contracts under PAA			
[NOKm]	Liabilities for remaining coverage[1]	Liabilities for incurred claims		Total
		Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Insurance contract liabilities as at 01.01 (opening balance)	**1 039,1**	**8 003,9**	**835,7**	**9 878,7**
Changes in the statement of profit or loss and OCI				
Insurance revenue	6 619,1	-	-	6 619,1
Insurance claims expenses	-	(4 962,5)	(32,5)	(4 995,0)
Run-off previous years adjustments	-	(49,8)	-	(49,8)
Insurance operating expenses which affect insurance contract liabilities	-	(745,5	-	(745,5)
Insurance service result before reinsurance contracts held	**6 619,1**	**(5 757,7)**	**(32,5)**	**828,9**
Insurance finance income or expense	**-**	**671,7**	**-**	**671,7**
Total changes in the statement of profit or loss and OCI	**6 619,1**	**(5 086,0)**	**(32,5)**	**1 500,6**
Cash flows				
Premiums received	6 505,1	-	-	6 505,1
Claims paid	-	(5 080,6)	-	(5 080,6)
Other expenses paid which affect insurance contract liabilities	-	-	-	-
Total cash flows	**6 505,1**	**(5 080,6)**	**-**	**1 424,5**
Exchange rate differences	215,5	118,3	13,4	347,2
Insurance contract liabilities as at 31.12	**1 140,6**	**8 127,7**	**881,6**	**10 149,9**

[1] As of 31.12.22, Protector do not have any onerous insurance contracts with a loss component.

NOTE 6 INSURANCE CONTRACT ASSETS & LIABILITIES cont.
Reconciliation of the assets from reinsurance contracts issued showing the assets for remaining coverage and the assets for incurred claims 2023.

	2023			
	Contracts under PAA			
[NOKm]	Assets for remaining coverage[1]	Assets for incurred claims		Total
		Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Reinsurance contract assets at 01.01	**226,1**	**494,9**	**308,0**	**1 029,1**
Changes in the statement of profit or loss and OCI				
Reinsurance premium	(583,7)	-	-	(583,7)
Amounts recovered from reinsurance	-	96,8	(30,3)	66,4
Run-off previous years adjustments		404,5	-	404,5
Net result from reinsurance contracts held	**(583,7)**	**501,2**	**(30,3)**	**(112,8)**
Reinsurance finance income or expense	**-**	**49,0**	**-**	**49,0**
Total changes in the statement of profit or loss and OCI	**(583,7)**	**550,3**	**(30,3)**	**(63,8)**
Cash flows				
Premium paid	(384,6)	-	-	(384,6)
Amounts received	-	331,3	-	331,3
Total cash flows	**(384,6)**	**331,3**	**-**	**(53,3)**
Exchange rate differences	21,0	35,5	18,3	74,8
Reinsurance contract assets / (liabilities) as at 31.12	**47,9**	**749,4**	**296,0**	**1 093,3**

[1] As of 31.12.23, Protector do not have any onerous insurance contracts with a loss-recovery component.

NOTE 6 INSURANCE CONTRACT ASSETS & LIABILITIES cont.
Reconciliation of the assets from reinsurance contracts issued showing the assets for remaining coverage and the assets for incurred claims 2022

	2022			
	Contracts under PAA			
[NOKm]	Assets for remaining coverage[1]	Assets for incurred claims		Total
		Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Reinsurance contract assets as at 01.01	**177,1**	**604,8**	**347,0**	**1 128,9**
Changes in the statement of profit or loss and OCI				
Reinsurance premium	(826,4)	-	-	(826,4)
Amounts recovered from reinsurance	-	550,9	(47,1)	503,8
Run-off previous years adjustments	-	183,5	-	183,5
Net result from reinsurance contracts held	**(826,4)**	**734,4**	**(47,1)**	**(139,1)**
Reinsurance finance income or expense	**-**	**(47,9)**	**-**	**(47,9)**
Total changes in the statement of profit or loss and OCI	**(826,4)**	**686,5**	**(47,1)**	**(187,0)**
Cash flows				
Premium paid	(881,9)	-	-	(881,9)
Amounts received	-	814,1	-	814,1
Total cash flows	**(881,9)**	**814,1**	**-**	**(67,7)**
Exchange rate differences	(6,5)	17,8	8,1	19,4
Reinsurance contract assets as at 31.12	**226,1**	**494,9**	**308,0**	**1 029,1**

[1] As of 31.12.22, Protector do not have any onerous insurance contracts with a loss-recovery component.

NOTE 7 INSURANCE CONTRACT LIABILITIES BY LINE OF BUSINESS

	General Insurance										Life Insurance	
[NOKm]	Medical expense insurance	income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Miscellaneous financial loss	Direct business and accepted proportional reinsurance:	Group life	Sum total
As at 31 December 2023												
Insurance contract liabilities												
Insurance contract liabilities for remaining coverage (LRC)	53,5	34,0	(163,8)	78,7	232,1	5,0	1 147,4	257,7	(1,3)	1 643,2	63,0	1 706,2
Insurance contract liabilities for incurred claims (LIC)	370,4	578,0	2 593,4	1 219,6	401,5	8,8	2 564,0	1 918,0	0,4	9 654,1	161,1	9 815,2
Insurance contract liabilities for incurred claims risk adjustment (RA)	19,0	59,8	477,6	132,1	3,8	0,2	67,5	275,2	0,0	1 035,2	2,7	1 037,8
Total Insurance contract liabilities	**442,8**	**671,7**	**2 907,2**	**1 430,3**	**637,4**	**14,0**	**3 778,9**	**2 451,0**	**(0,9)**	**12 332,5**	**226,8**	**12 559,2**
As at 31 December 2022												
Insurance contract liabilities												
Insurance contract liabilities for remaining coverage (LRC)	36,6	41,4	(135,3)	33,0	203,3	3,6	707,5	180,8	(1,2)	1 069,6	70,9	1 140,6
Insurance contract liabilities for incurred claims (LIC)	309,4	601,8	2 530,9	1 187,3	293,3	7,8	1 607,4	1 456,0	0,6	7 994,4	133,3	8 127,7
Insurance contract liabilities for incurred claims risk adjustment (RA)	16,0	47,4	431,8	129,3	2,7	0,1	39,4	213,8	0,0	880,5	1,1	881,6
Total Insurance contract liabilities	**361,9**	**690,6**	**2 827,5**	**1 349,5**	**499,3**	**11,5**	**2 354,3**	**1 850,6**	**(0,6)**	**9 944,5**	**205,4**	**10 149,9**

NOTE 8 INSURANCE OPERATING EXPENSES		
[NOKm]	2023	2022
Commissions	411,6	256,6
Depreciations	60,6	57,2
Salary- and pensions costs (note 21)	730,1	544,2
Office costs	14,5	6,5
Remunerations	41,2	34,7
Claims handling costs (transferred to gross claims paid)	(375,3)	(311,5)
Internal administrative costs	(68,5)	(35,1)
Other insurance-related administrative expenses	106,3	87,2
Taxes and levies	73,4	66,7
Other insurance-related expenses	17,2	27,9
Insurance operating expenses	**1 011,2**	**734,5**

AUDITOR'S FEES		
[1.000 NOK]	2023	2022
Auditing (inclusive VAT)	2 159	2 259
Other certification services (inclusive VAT)	68	19
Services regarding tax (inclusive VAT)	386	452
Other services outside auditing (inclusive VAT)	239	94
Total	**2 851**	**2 824**

NOTE 9 INVESTMENTS

[NOKm]	Book value 31.12.23	Fair value 31.12.23	Book value 31.12.22	Fair value 31.12.22
Shares	2 983,4	2 983,4	2 647,7	2 647,7
Bonds and other fixed-income securities	15 111,2	15 111,2	11 367,6	11 367,6
Financial derivatives	273,3	273,3	69,0	69,0
Bank deposits related to investments*	508,8	508,8	881,3	881,3
Total financial assets at fair value	**18 876,8**	**18 876,8**	**14 965,6**	**14 965,6**
Financial assets at fair value - discontinued operations	600,1	600,1	705,0	705,0
Financial assets at fair value - continued operations	**18 276,6**	**18 276,6**	**14 260,6**	**14 260,6**
Financial derivatives	(241,2)	(241,2)	54,8	54,8
Total financial liabilities at fair value	**(241,2)**	**(241,2)**	**54,8**	**54,8**
Loan to other companies	30,3	30,3	0,0	0,0
Total financial assets at amortized cost	**30,3**	**30,3**	**0,0**	**0,0**
Subordinated debt	(1 891,7)	(1 891,7)	(1 244,7)	(1 244,7)
Total financial liabilities at amortized cost	**(1 891,7)**	**(1 891,7)**	**(1 244,7)**	**(1 244,7)**

*Bank deposits are split in Statement of Financial Position into bank deposit for investment purposes and operation purposes.

SHARES

[NOKm]	Currency	Fair value	Identification no. Norwegian companies
Knowit AB	SEK	375.3	
Indus Holding AG	EUR	281.4	
Jyske Bank A/S	DKK	224.9	
Duni AB	SEK	213.6	
FBD Holdings PLC	EUR	194.5	
Elanders AB Class B	SEK	182.0	
ISS A/S	DKK	166.0	
Lassila And Tikanoja	EUR	158.7	
B3 Consulting Group AB	SEK	136.9	
Schouw & Co. A/S	DKK	136.2	
eWORK Group AB	SEK	135.2	
Dustin Group AB	SEK	90.9	
Bredband2	SEK	83.4	
AFRY AB	SEK	70.3	
Storskogen Group AB	SEK	60.0	
Axxelerator Capital	NOK	54.8	
Seafire AB	SEK	54.2	
Idun Industrier AB ser. B	SEK	42.4	
Innofactor PLC	EUR	37.4	
Solid Försäkringsaktiebolag	SEK	36.7	
Nilörngruppen AB ser. B	SEK	31.9	
Webstep ASA	NOK	31.0	996 394 638
Norconsult ASA	NOK	31.0	963 865 724
Projektengagemang Sweden AB	SEK	29.1	
Verkkokauppa.com Oyj	EUR	27.0	
Strix group	GBP	26.3	
Origin Enterprises PLC ORD	EUR	22.1	
BankNordik P/F	DKK	18.6	
Headlam Group Plc	GBB	14.6	
Time People Group AB	SEK	9.2	
Siili Solutions Oyj A	EUR	6.6	
Christian Berner Tech Trade AB	SEK	1.1	
Forsikringsakademiet	DKK	0.1	
Total shares		**2 983,4**	

The share portfolio consists of mainly shares listed on the stock exchange in Norway, Sweden, Denmark, Finland, Ireland and Canada. Forsikringsakademiet is not listed, as well as Axxelerator which is a PE Fund. 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		
[NOKm]	**Fair value**	**Duration**
Government bonds etc.	4 321,6	0,94
Corporate bonds etc.	8 398,5	1,12
Bond fund	2 391,1	0,85
Loans to other companies	30,3	0,10
Total bonds and other fixed-income securities year 2023[1]	**15 141,5**	
- of this, subordinated debt in other companies 2023	176,6	0,78
Total bonds and other fixed-income securities year 2022	**11 367,6**	**1,64**
- of this, subordinated debt in other companies 2022	177,0	0,91

[1] Exclusive interest swaps
Average yield adjusted for currency hedging effects is 5.8%.
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 quoted price. Financial instruments measured at fair value are measured 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 measured 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 measured on the basis of information that is not observable in accordance with level 2
If one or more of the inputs to the measurement is not based on observable market input, the instrument is categorised in level 3/this category.

[NOKm] Financial assets at fair value through profit or loss	**Level 1**	**Level 2**	**Level 3**	**Total**
Shares	521,1	2 407,5	54,8	2 983,4
Bonds and other fixed-income securities	-	15 111,2	-	15 111,2
Bank deposits	508,9	-	-	508,9
Derivatives:	-	-	-	-
Interest rate swaps	-	156,6	-	156,6
Foreign exchange contracts	-	98,6	-	98,6
Options	-	18,1	-	18,1
Total financial assets year 2023	1 030,0	17 792,0	54,8	18 876,8
Total financial assets year 2022	1 249,4	13 567,8	148,4	14 965,6

[NOKm] Financial liabilities at fair value through profit or loss	**Level 1**	**Level 2**	**Level 3**	**Total**
Foreign exchange contracts		(241,2)		(241,2)
Total financial liabilities year 2023	-	(241,2)	-	(241,2)
Total financial liabilities year 2022	-	(54,8)	-	(54,8)

[NOKm] Financial assets at amortized cost	**Level 1**	**Level 2**	**Level 3**	**Total fair value**	**Total book value**
Loan to other companies*			30,3	30,3	30,3
Total financial assets year 2023		-	30,3	30,3	30,3
Total financial assets year 2022		-	-	-	-

[NOKm] Financial liabilities at amortized cost	**Level 1**	**Level 2**	**Level 3**	**Total fair value**	**Total book value**
Subordinated debt		(1 891,7)	-	(1 891,7)	(1 891,7)
Total financial liabilities year 2023		(1 891,7)	-	(1 891,7)	(1 891,7)
Total financial liabilities year 2022		(1 244,7)	-	(1 244,7)	(1 244,7)

*Protector has entered into a loan agreement with float interest over 1.5 years
There has not been any movements of financial assets between quoted prices and observable assumptions.

MOVEMENT LEVEL 3 **[NOKm]**	**Financial assets at fair value through profit or loss**	**Financial assets at amortized cost**	**Total**
Book value 01.01.2023	148,4	-	148,4
Net profit/loss	4,1	0,3	4,4
Supply/disposal	11,4	30,0	41,4
Sales/overdue/settlement	-	-	-
Translation differences	-	-	-
Other*	(109,1)	-	(109,1)
Book value 31.12.2023	**54,8**	**30,3**	**85,1**

*Correction of previous year level division for one security
Protector has considered expected credit loss on financial assets measured at amortised cost, and this will have an immaterial effect on the financial statement.

NOTE 10 NET INCOME FROM INVESTMENTS

[NOKm]	2023	2022
Net income from investments		
Income from investments in associated companies	-	21,1
Interest income[1]	549,5	365,7
Dividend shares	134,6	114,6
Unrealised gains/losses on financial assets	(6,8)	(128,9)
Gains/losses from realisation of financial assets	759,8	164,0
Administrations expenses for financial assets management	(65,4)	(36,1)
Net income from investments	**1 371,6**	**500,6**
Net income from investments discontinued operations	43,6	23,6
Net income from investments continued operations	**1 328,0**	**477,0**

NET INCOME FROM INVESTMENTS DIVIDED BY ASSET CLASS

[NOKm]	2023	2022
Income from investments in associated companies		21,1
Interest income from financial assets at fair value through profit or loss	549,2	365,6
Interest income from financial assets at amortized cost	0,3	-
Dividend	134,6	114,8
Net gains / (loss) from shares	163,9	252,3
Net gains / (loss) from bonds and other fixed-income securities	657,2	(111,0)
Net gains / (loss) from foreign exchange contracts	(68,2)	(106,1)
Administrations expenses for financial assets management	(65,4)	(36,1)
Total net income and gains/ (loss) from investments at fair value through profit or loss	**1 371,6**	**500,6**
Net income from investments discontinued operations	43,6	23,6
Net income from investments continued operations	**1 328,0**	**477,0**

[1]Interest income is measured based on effective interest method. Transactions costs are directly recognised in profit & loss.

NOTE 11 COLLATERAL

[NOKm]	2023	2022
Collateral provided in cash in connection with derivatives trading	(69,0)	(24,1)
Collateral provided in bonds	(199,5)	-
Collateral received in connection with derivatives trading	52,2	22,2
Collateral received in bonds	-	-
Total received and pledged collateral	**(216,4)**	**(1,9)**

Protector have CSA agreements with 6 counterparties for the purpose of regulating the security that can be used for the OTC contracts entered into. The CSA agreements normally have a minimum transfer amount of NOK 2,000,000, whereof all the agreements stipulate that cash in NOK can be used as security. Government and municipality bonds are also defined as approved security in some of the agreements. Interest on cash collateral is calculated based on the NOWA rates. Security provided for the derivatives is adjusted daily on the basis of a daily margin settlement for each contract. Security is received and provided in the form of both cash and securities. Security in the form of cash is recognised in the balance sheet.

NOTE 12 LEASING

[NOKm]	2023	2022
Right-of use assets		
Costs as at 01.01.	**163,3**	**162,8**
Additions	-	-
Modifications	6,9	-
Currency difference	9,1	0,5
Costs as at 31.12.	**179,3**	**163,3**
Accumulated depreciation at 01.01	**(60,1)**	**(30,0)**
This year's depreciation	(34,2)	(29,8)
Currency difference	(3,0)	(0,3)
Accumulated depreciation at 31.12.	**(97,3)**	**(60,1)**
Net book value as at 31.12.	**82,0**	**103,2**

Protector leases office space for office locations. The average lease term is 3 years (2022: 4 years).
The right-of-use asset is recognised in the financial statements as "Tangible assets".

[NOKm]	2023	2022
Amounts recognised in profit and loss		
Depreciation expense on right-of-use assets	(34,2)	(29,8)
Interest expense on lease liabilities	7,1	5,8

For short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease/ describe the systematic basis use if this is more representative of the time pattern in which economic benefits from the leased assets are consumed.

At 31 December 2023, Protector has no material short-term leases or leases of low value assets.

The total undiscounted cash outflow for leases amount to NOK 93.8 million (2022: NOK 125.2 million).

There are no material extension or termination options.

LEASE LIABILITY		
[NOKm]	2023	2022
Lease liabilities		
Maturity analysis:		
Year 1	38,6	35,9
Year 2	29,9	35,9
Year 3	11,8	27,1
Year 4	7,8	12,6
Year 5	5,2	8,0
Onwards	0,4	5,7
Undiscounted lease liability	**93,8**	**125,2**
Discounted lease liability	**84,9**	**103,2**
Weighted average interest rate	6,9 %	6,9 %

Protector does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the treasury function. The lease liability is recognised in the financial statements as "Other liabilities".

NOTE 13 INTANGIBLE ASSETS		
[NOKm]	2023	2022
Costs as at 01.01.	**225,2**	**190,8**
Additions	28,3	35,3
Scrapping	(0,8)	(0,7)
Currency difference	0,3	(0,2)
Costs as at 31.12.	**252,7**	**225,2**
Accumulated depreciation at 01.01	(126,1)	(113,3)
This year's depreciation	(18,2)	(13,7)
Write-downs	0,0	0,0
Scrapping	0,8	0,7
Currency difference	(0,3)	0,2
Accumulated depreciation at 31.12.	**(143,5)**	**(126,1)**
Intangible assets connected to discontinued operations	2,8	3,1
Net book value as at 31.12.	**106,3**	**95,9**

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 14 TANGIBLE FIXED ASSETS					
[NOKm]	Office machinery	Furniture and fixtures	Art	2023	2022
Costs as at 01.01.	**60,5**	**24,2**	**0,2**	**85,0**	**85,0**
Additions	13,9	0,8	-	14,7	8,5
Scrapping	(13,4)	-	-	(13,4)	-
Currency difference	1,1	1,5	-	2,6	0,2
Costs as at 31.12.	**62,2**	**26,5**	**0,2**	**88,9**	**85,0**
Accumulated depreciation at 01.01	(40,8)	(15,2)	-	(56,0)	(42,3)
This year's depreciation	(10,9)	(2,8)	-	(13,7)	(13,7)
Scrapping	13,4	-	-	13,4	-
Currency difference	(0,8)	(0,8)	-	(1,5)	(0,1)
Accumulated depreciation at 31.12.	**(39,1)**	**(18,7)**	**-**	**(57,8)**	**(56,0)**
Net book value as at 31.12.	**23,1**	**7,8**	**0,2**	**31,1**	**29,0**

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 15 TAXES

[NOKm]	2023	2022
This year's taxes are divided between		
Payable tax	412,6	237,2
Changes due to full IFRS reporting	-	174,7
Correction previous years	(12,7)	3,2
Change in deferred tax	42,7	(78,8)
Tax discontinued operations	(3,3)	5,1
Total tax continued operations	**439,2**	**341,4**

Computation of this years tax		
Profit before tax	1 951,8	1 004,4
Other comprehensive income	106,8	(44,4)
Permanent differences	(104,0)	(260,8)
Changes in temporary differences	(227,4)	315,3
Changes due to IFRS 17	-	698,7
Basis for the tax expense of the year	1 727,2	1 713,2
Payable tax 25%	431,8	428,3
Payable tax foreign operations	(7,5)	(27,5)
Payable tax from previous years	11,7	3,2
Payable tax	**436,0**	**404,0**

Temporary differences	2023	2022	Changes
Fixed assets	12,9	(4,7)	(17,5)
Receivables	-	(0,1)	(0,1)
Gain and loss account	0,9	1,1	0,2
Pension Provisions	(0,7)	-	0,7
Financial assets	97,7	(115,7)	(213,4)
Insurance contract liability	656,1	714,6	58,4
Lease agreement obligation	(2,7)	-	2,7
Net temporary differences	764,1	595,1	(169,0)
Deferred tax 25 %	191,0	148,8	(42,2)
Deferred tax/ deferred tax assets in the balance sheet	**191,0**	**148,8**	**(42,2)**

RECONCILIATION OF TAX

[NOKm]	2022	2021
Profit before taxes 25%	488,0	251,1
Permanent differences 25%	(26,0)	(65,2)
Corrected tax previous years	(12,0)	3,2
Changes due to full IFRS reporting	-	174,7
Net paid tax for companies abroad	(7,5)	(27,5)
Calculated tax	**442,5**	**336,3**
Tax discontinued operations	3,3	(5,1)
Total tax continued operations	**439,2**	**341,4**
Tax on other comprehensive income	26,7	(11,1)

NOTE 16 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.

The solvency capital can be classified into three tiers. The 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 31.12.2023.

[NOKm]	2023	2022
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	4 919,6	3 803,5
Tier 1 - restricted	354,1	348,0
Tier 2	1 580,9	941,5
Total basic own funds	**6 854,7**	**5 093,0**

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 debt. 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.

[NOKm]	2023	2022
AVAILABLE OWN FUNDS TO MEET THE SOLVENCY CAPITAL REQUIREMENT (SCR)		
Tier 1 - unrestricted	4 919,6	3 803,5
Tier 1 - restricted	354,1	348,0
Tier 2	1 580,9	941,5
Total available own funds to meet SCR	**6 854,7**	**5 093,0**
AVAILABLE OWN FUNDS TO MEET THE MINIMUM CAPITAL REQUIREMENT (MCR)		
Tier 1 - unrestricted	4 919,6	3 803,5
Tier 1 - restricted	354,1	348,0
Tier 2	1 580,9	941,5
Total available own funds to meet the MCR	**6 854,7**	**5 093,0**
ELIGIBLE OWN FUNDS TO MEET THE SOLVENCY CAPITAL REQUIREMENT (SCR)		
Tier 1 - unrestricted	4 919,6	3 803,5
Tier 1 - restricted	354,1	348,0
Tier 2	1 580,9	941,5
Total eligible own funds to meet the SCR	**6 854,7**	**5 093,0**
ELIGIBLE OWN FUNDS TO MEET THE MINIMUM CAPITAL REQUIREMENT (MCR)		
Tier 1 - unrestricted	4 919,6	3 803,5
Tier 1 - restricted	354,1	348,0
Tier 2	315,7	235,1
Total eligible own funds to meet the MCR	**5 589,5**	**4 386,7**

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

[NOKm]	2023	2022
SOLVENCY CAPITAL REQUIREMENT (SCR)		
Market risk	1 572,5	1 379,1
Counterparty default risk	136,8	77,4
Life insurance risk	1,0	0,8
Health underwriting risk	684,0	672,3
Non-life underwriting risk	3 192,5	2 070,2
Diversification	(1 489,0)	(1 237,1)
Basic Solvency Capital Requirement	**4 097,7**	**2 962,6**
Operational risk	327,5	283,7
Loss-absorbing capacity of deferred taxes	(917,3)	(633,9)
Total solvency capital requirement	**3 507,8**	**2 612,5**

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

[NOKm]	2023	2022
MINIMUM CAPITAL REQUIREMENT		
Linearly calculated MCR	2 002,2	1 206,2
Upper limit for MCR	1 578,5	1 175,6
MCR floor	877,0	653,1
Combined MCR	1 578,5	1 175,6
Absolute floor of the MCR	47,5	41,2
Minimum capital requirement	**1 578,5**	**1 175,6**

The minimum capital requirement is calculated using the standard formula with a 85% probability that total loss during 12 months will not exceed the calculated capital requirement. The minimum capital requirement is limited to minimum 25% and maximum 45% of the calculated SCR.

	2023	2022
Ratio of Eligible own funds to SCR	**195 %**	**195 %**
Ratio of Eligible own funds to MCR	**354 %**	**373 %**

In addition to some differences in classification of assets and liabilities in the balance sheet and the solvency II balance sheet, there are some valuation differences between IFRS 17 and solvency II:

- Reserves are discounted in both, however some differences remain due to use of different discounting rates.
- Liabilities for remaining coverage are discounted in solvency II, not under IFRS 17.
- Expected profit in future premiums is part of liabilities under IFRS 17 and part of equity in solvency II.
- Risk adjustment in IFRS 17 is calculated using different principles and methods than in calculating the risk margin in solvency II.
- Intangible assets are valued at nil in solvency II.
- The guarantee scheme is classified as a liability under solvency II, while it is considered as equity according to accounting principles.
- Different valuation of deferred tax due to differences between accounting values and solvency II values.
- Foreseen dividend is subtracted from the solvency II fund
- Subordinated debt is valued at market value and included in the solvency II capital

[NOKm]	2023	2022
Total equity	4 528,6	3 761,5
Revision of net technical provisions	1 003,6	967,0
Difference between risk adjustment and risk margin	102,4	(20,0)
Intangible assets	(109,2)	(99,0)
Other assets and liabilities	(150,2)	(266,8)
Dividend	(412,2)	(494,3)
Subordinated debt	1 891,7	1 244,7
Total	**6 854,7**	**5 093,0**

NOTE 17 SHARE CAPITAL AND SHAREHOLDER INFORMATION

Share capital consists of:	**No.of shares**	**Face value**	**Capital**
Ordinary shares (each share has one vote)	82 500 000	1	82 500 000

Protector Forsikring ASA had 3,571 shareholders at 31.12.2023

List of the 20 major shareholders at 31.12.2023	**No.of shares**	**Ownership share in percent**
Awc AS	14 988 856	18,2 %
Stenshagen Invest AS	7 526 353	9,1 %
Citibank (Switzerland) AG	4 456 162	5,4 %
Verdipapirfondet Alfred Berg Gamba	3 336 334	4,0 %
Verdipapirfond Odin Norden	3 156 885	3,8 %
Lombard Int Assurance S.A.	1 800 000	2,2 %
MP Pensjon PK	1 779 633	2,2 %
State Street Bank And Trust Comp	1 746 785	2,1 %
JPMorgan Chase Bank, N.A., London	1 462 161	1,8 %
Vevlen Gård AS	1 400 000	1,7 %
AAT Invest AS	1 320 000	1,6 %
Utmost Paneurope DAC – GP11940006	1 304 000	1,6 %
Pershing LLC	1 241 846	1,5 %
Avanza Bank AB	1 039 712	1,3 %
Clearstream Banking S.A.	1 017 528	1,2 %
Johan Vinje AS	937 841	1,1 %
State Street Bank and Trust Comp	937 291	1,1 %
Verdipapirfondet Alfred Berg Aktiv	899 750	1,1 %
Nordnet Bank AB	857 570	1,0 %
Reeco AS	799 978	1,0 %
Total	**52 008 685**	**63,0 %**
Protector Forsikring ASA	59 554	0,1 %
Other shareholders	30 431 761	36,9 %
Total number of shares	**82 500 000**	**100,0 %**

SHARES OWNED BY SENIOR EXECUTIVES AND THE BOARD			
31.12.2023	**Identification**	**No.of shares**	**Ownership share in percent**
Reeco AS	Deputy Chairman, Arve Ree	799 978	1,0 %
Alsøy Invest AS	Chairman of the Board, Jostein Sørvoll	502 751	0,6 %
Ditlev de Vibe Vanay	Chief Financial Officer	281 556	0,3 %
Hans Didring	Deputy CEO	278 044	0,3 %
Henrik Golfetto Høye	CEO	267 520	0,3 %
Steel City AS	Board member, Kjetil Andreas Garstad	206 706	0,3 %
Leonard Bijl	IT Director	28 909	0,0 %
Dag Marius Nereng	Chief Investment Officer	20 804	0,0 %
Christoffer Skyrud	Deputy employees' representative	14 503	0,0 %
Cathrine Wessel Poulsen	Director Norway and deputy employees' representative	10 872	0,0 %
Kjetil Andreas Garstad	Board member	9 684	0,0 %
Stuart Winter	Country Manager UK	8 326	0,0 %
Fredrik Landelius	Country Manager Sverige	7 816	0,0 %
Anders Blom Monberg	Country Manager Denmark	3 778	0,0 %
Tonje Svartberg Giertsen	Employees' representative	3 452	0,0 %
Lars Kristiansen	Country Manager Norway	2 780	0,0 %
Jostein Sørvoll	Chairman of the Board	1 250	0,0 %
Mathews Ambalathil	Employees' representative	500	0,0 %
Total		**2 449 229**	**3,0 %**

NOTE 18 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 shares throughout the year, net of treasury shares. There are not any dilutive effects.

	2023	**2022**
Profit for the year assigned to the company's shareholders NOKm	1 509,3	1 379,0
Weighted average number of shares	82 411 610	82 381 573
Earnings per share (basic and diluted)	**18,3**	**16,7**
Profit for the year assigned to the company's shareholders NOKm	1 494,3	1 369,3
Weighted average number of shares	82 411 610	82 381 573
Earnings per share (basic and diluted) continued operations	**18,1**	**16,6**

NOTE 19 SUBORDINATED DEBT

Subordinated debt NOK 500m	**2022**
Name	Protector Forsikring ASA 20/50 FRN STEP C SUB
Ticker	PROTCT05
ISIN	NO0010914443
Nominal value	MNOK 500
Interest rate	3-month NIBOR + 350 bp p.a.
Issue date	16.12.2020
Due date	16.12.2050
Callable	Yes

Subordinated debt NOK 350m	
Name	Protector Forsikring ASA 21/PERP FRN C HYBRID
Ticker	PROTCT06
ISIN	NO0011170045
Nominal value	MNOK 350
Interest rate	3-month NIBOR + 350 bp p.a.
Issue date	14.12.2021
Due date	Perpetual
Callable	Yes

Subordinated debt NOK 400m	
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	21.02.2022
Due date	21.02.2052
Callable	Yes

Subordinated debt NOK 650m	
Name	Protector Forsikring ASA 23/54 FRN C SUB
Ticker	
ISIN	NO0013091876
Nominal value	MNOK 650
Interest rate	3-month NIBOR + 400 bp p.a.
Issue date	07.12.2023
Due date	07.03.2054
Callable	Yes

NOTE 20 LABOUR EXPENSES, PENSIONS, NUMBER OF EMPLOYEES

[NOKm]	2023	2022
Salaries	427,7	342,9
Bonuses	96,8	51,9
Fees to the Board of Directorsand the Nomination Committee	3,6	3,2
Defined contribution pension costs [1]	39,1	28,6
Social security tax	109,1	82,3
Other payments	53,0	35,4
Total	**730,1**	**544,2**
[1] Refer to note 22 for further information.		
Number of employees		
Number of employees at 31.12.	526,0	436,0
Number of man-labour years at 31.12.	523,4	424,3
Average number of employees at 31.12.	488,0	426,9
Average number of man-labour years at 31.12.	483,9	414,4

NOTE 21 REMUNERATIONS TO SENIOR EXECUTIVES AND THE BOARD

The remuneration to Senior Executives is disclosed in the table below. The 2023 Remuneration Report for Executive Personnel is published on the company´s website www.protectorforsikring.no.

[1.000 NOK]	2023	2022
Senior executives		
Salaries	37 834	28 936
Variable pay[2]	28 444	19 608
Other remunerations[1]	296	432
Paid-up pension premium	2 519	2 036
Total remunerations	**69 094**	**51 012**

[1] Other remunerations comprises telephone, insurance and other contractual benefits.
[2] Paid out bonuses according to long term bonus scheme.

NOTE 22 PENSIONS

Protector Forsikring is obliged to have an occupational pension scheme in accordance with the Norwegian 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.

In Norway, the contribution pension premium is 7% of salary between 0 and 7.1G (G=basic amount in national insurance), 25.1% between 7.1 and 12G and 15% of salary from 12G up to 16G. In Sweden, the rates are 5.5% of salary up to 7.5 income base (IB) amount (SEK 74,300 in 2023) and 31.3% of salary beyond this up to 27 IB. In Denmark, the rate is between 10% and 15% of salary, in Finland 17.65% of salary and in the UK between 4% and 15% of salary.

The total pension cost amounts to NOK 39.1 million in 2023 (NOK 28.6 million in 2022).

NOTE 23 RECEIVABLES

[NOKm]	2023	2022
Receivable tax	1,0	0,2
External claims handlers	39,6	21,4
Other receivables	11,5	6,1
Total	**52,2**	**27,6**

NOTE 24 OTHER LIABILITIES

[NOKm]	2023	2022
Payables, operations	76,4	45,2
Payables, claims	78,4	62,3
Liabilities in connection to direct insurance	154,8	107,5
Allocation of employers contribution	16,2	12,1
Advance tax deduction	15,8	11,9
Lease liabilities	84,9	103,2
Other liabilities	392,7	245,2
Other liabilities	**509,5**	**372,4**
Total other liabilities	**664,4**	**480,0**

The company has no secured liabilities.

NOTE 25 ACCRUED EXPENSES AND DEFERRED INCOME

[NOKm]	2023	2022
Bonuses	270,5	216,9
Accrued vacation pay	37,7	33,1
RTV tax	61,4	78,8
Other accrued expenses	9,3	6,4
Total	**378,8**	**335,2**

NOTE 26 CONTINGENT LIABILITIES

Protector has no contingent liabilities at 31.12.2023

NOTE 27 DISCONTINUED OPERATIONS

Protector decided in 2018 to exit the change of ownership insurance (COI) market. 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. At January 1st, 2022, when the new Norwegian Real Property Sale Act entered into force, Protector stopped writing new COI business.

INCOME STATEMENT

[NOKm]	**2023**	**2022**
Insurance revenue	0,1	2,6
Insurance claims expenses	(10,3)	(25,4)
Insurance operating expenses	-	(1,6)
Insurance service result before reinsurance contracts held	**(10,2)**	**(24,4)**
Reinsurance premium	0,0	(0,2)
Amounts recovered from reinsurance	(9,3)	9,1
Net result from reinsurance contracts held	**(9,2)**	**8,9**
Insurance service result	**(19,5)**	**(15,6)**
Result from investments in associates and joint venture	-	1,1
Interest income and dividend etc. from financial assets	21,7	22,6
Net changes in fair value of investments	(0,2)	(6,1)
Net realised gain and loss on investments	24,2	7,7
Interest expenses and expenses related to investments	(2,1)	(1,7)
Net income from investments	**43,6**	**23,6**
Insurance finance income or expenses	(6,9)	5,5
Reinsurance finance income or expenses	1,2	(1,7)
Net insurance finance income or expenses	**(5,8)**	**3,8**
Other income/expenses	-	(3,2)
Profit/(loss) before tax	**18,4**	**8,7**
Tax	(3,3)	1,0
Profit/(loss) from discontinued operations	**15,1**	**9,7**
Earnings per share (basic and diluted)	**0,2**	**0,1**

ASSETS

	2023	**2022**
Total financial assets in investment portfolio	600,1	705,0
Total operational financial assets	-	0,5
Total non-financial assets	54,4	85,2
Assets discontinued operations	**654,5**	**790,7**

LIABILITIES

	2023	**2022**
Liabilities for remaining coverage (LRC)		
Liabilities for incurred claims (LIC)	246,9	389,6
Liabilities for incurred claims risk adjustment (RA)	11,3	35,5
Insurance contract liabilities	**258,3**	**425,1**
Liabilities discontinued operations	**258,3**	**425,1**

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 2023.

We confirm, to the best of our knowledge, that the financial statements for the period 1st of January to 31st of December 2023 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 as a whole.

We also confirm that the Board of 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, 6 March 2024
The Board of Directors of Protector Forsikring ASA
All signatures electronically signed

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

EY
Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

Stortorvet 7, 0155 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Protector Forsikring ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Protector Forsikring ASA (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including material accounting policy information.

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 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

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 7 years from the election by the general meeting of the shareholders on 20 April 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 2023. 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.

Building a better working world

Insurance contract liabilities

Basis for the key audit matter
As at 31 December 2023, insurance contract liabilities of MNOK 12 559,2 were recognised in the accounts for continuing operations, and MNOK 258,3 for discontinued operations. The balance comprises liabilities for remaining coverage, liabilities for incurred claims and risk adjustment. Liabilities for incurred claims is measured as the present value of estimated future payments of reported claims and incurred, not reported claims. The risk adjustment reflects a security margin for uncertainty in the expected cash flows to fulfill the insurance contracts. The use of model, the assumptions used in the projection of claims history and determination of risk adjustment require management to exercise significant judgement. Insurance contract liabilities are material amounts and are sensitive for changes in methods and assumptions and are therefore considered a key audit matter.

Our audit response
We reviewed the Company's processes and methods for calculating insurance contract liabilities across the different insurance products.

For liabilities for remaining coverage we assessed the design and tested the operating effectiveness of internal controls over the Company's premium accrual process. We tested a sample of insurance contracts to verify the correct recognition.

For liabilities for incurred claims and risk adjustment we assessed the design and tested the operating effectiveness of internal controls over the reported claims process. We tested a sample of reported claims to assess the measurement. For liabilities for incurred claims not reported, we obtained the Company's actuarial function's report and assessed the results of the controls and measurements. To challenge management's data, method, models and assumptions used to estimate the liabilities for incurred claims, we used our own internal actuaries. Our procedures 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, we performed our own calculations of the liabilities for incurred claims 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 insurance contract liabilities, and the balances are specified in notes 3, 7 and 8.

Building a better working world

Reinsurance contract assets

Basis for the key audit matter
The reinsurance contract assets as at 31 December 2023 constitutes MNOK 1 093,3 for continuing 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 insurance contract liabilities, this was considered a key audit matter.

Our audit response
We have obtained an understanding of the Company's reinsurance contracts, and we assessed the Company's applied accounting principles related to various types of reinsurance contracts. We identified and assessed the design of internal controls related to the accounting and measurement of reinsurance contract assets. For a sample of contracts, we assessed the recognition of the reinsurance share of insurance contract liabilities by considering incurred claims and compared them with the terms in the reinsurance agreements.

Notes 1 and 2 have details on principles and estimation uncertainty concerning reinsurance contract assets, and the balances are specified in note 7.

Valuation of financial assets measured at fair value

Basis for the key audit matter
As at 31 December 2023, financial assets measured at fair value constitute MNOK 18 876,9 for continuing operations, of which MNOK 17 846,8 are unlisted or considered less liquid. Financial 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 assets are material for the financial statements and because of the degree of judgment involved, this was considered a key audit matter.

Our audit response
We assessed the design and tested the operating effectiveness of internal controls related to the valuation process. 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.

Note 10 includes information on financial assets measured at fair value.

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 CEO) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that 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, the statement on corporate governance 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 of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, 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, 6 March 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Finn Espen Sellæg
State Authorised Public Accountant (Norway)

CORPORATE GOVERNANCE

The company's principles for corporate governance shall contribute to the highest possible value creation for the shareholders over time, increasing 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.

1. STATEMENT OF CORPORATE GOVERNANCE

The statement is submitted in accordance with section 3-3b of the Norwegian 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.

2. BUSINESS

Per its articles of association, Protector's objective is to operate direct general insurance and reinsurance within all classes except classes 14 credit insurance and 15 guarantee insurance. The articles of association are available at www.protectorforsikring.no.

The company's general insurance business includes Norway, Sweden, Denmark, Finland and the United Kingdom. Its main market segments are the corporate market, the public sector, and the market for grouped insurance schemes. The insurances are sold through selected insurance brokers and agents.

The board of directors ("board") sets goals, strategies, and risk profiles in connection with the company's annual budget and strategy process. Evaluation of goals, strategies and risk profiles are carried out in connection with the management's and the board's strategy work in the spring 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 operations.

The board has prepared ethical guidelines, a sustainability policy, and a policy for responsible investments in accordance with the company's values and its goal of sustainable value creation. This is described in more detail in the statement on corporate sustainability.

3. SOLVENCY CAPITAL AND DIVIDENDS

The company has continuous focus on ensuring that the solvency capital matches Protector's objectives, strategy, and risk profile. The company will at all times seek to optimise 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 is the board's intention to distribute 20-80% of the profit for the year as dividends. Actual distribution 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 of over 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 share buybacks.

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

The board is authorised to decide on the distribution of dividends. Such authorisation is conditional on the company having a dividend capacity per the most recently approved annual accounts. An authorisation for the board to distribute dividends will give the company flexibility and mean that the company, based on dividend capacity per 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 authorisation and the Norwegian Public Limited Liability Companies Act, the board decides whether the authorisation is to be used, whether it is to be used one or more times, the size of the individual dividend, etc. The authorisation is valid until the Annual General Meeting (AGM) in 2024, or no later than 30 June 2024. The board will propose to the AGM that the authorisation is renewed.

The board is authorised to repurchase up to 10% of the total number of shares in Protector Forsikring ASA. The authorisation is valid until the next AGM in 2024, or no later than 30 June 2024. The board will propose to AGM that the authorisation is renewed. At the end of 2023, the company had 59,554 own shares.

The board is authorised 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 authorisation may be used for one or more share issues. The board may decide to deviate from the pre-emptive right of shareholders to subscribe for shares pursuant to section 10-4 of the Norwegian Public Limited Liability Companies Act. The board of directors may decide that payment for the shares shall be effected in assets other than cash, including by way of set-off or the right to subject the company to special obligations pursuant to section 10-2 of the Norwegian Public Limited Liability Companies Act. The authorisation also applies to decisions to merge pursuant to section 13-5 of the Norwegian Public Limited Liability Companies Act. This authorisation is valid until the AGM in 2024, or no later than 30 June 2024. The board will propose to the AGM that the authorisation is renewed.

The board is authorised to raise subordinated loans and other debt limited to NOK 2,500 million and under the conditions stipulated by the board. The authorisation is valid until the AGM 2024, or no later than 30 June 2024. The board will propose to the AGM that the authorisation is renewed.

According to the Norwegian Code of Corporate Governance, the authorisations should be limited to defined purposes. The reason this has not been done is that the board desires a mandate that provides the greatest possible flexibility.

4. EQUAL TREATMENT OF SHAREHOLDERS

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

Existing shareholders have pre-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 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.

5. FREELY NEGOTIABLE SHARES

Shares in Protector Forsikring ASA are listed on Oslo Stock Exchange. The Articles of Association do not contain any restrictions with regard to the negotiability of the shares. All the shares carry equal rights, cf. point 4 above.

6. 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 mail, sent out no later than 21 days before the AGM. Protector will send a written notice to the nominee holder in cases where shareholders are registered under a nominee account. According to the articles of association, notification of attendance must be received by the company no later than two business days before the general meeting, unless the board sets a later deadline for the notification prior to sending the notice.

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 of the meeting and its materials are published on the company's website no later than 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 including voting instructions on each individual candidate nominated for election.

The annual general meeting shall deal with and decide on the following matters:

- Adoption of the annual accounts and the annual report, including distribution of dividends.
- Other matters which by virtue of law or the articles of association pertain to the general meeting.

The chairperson of the board and the CEO shall be present at the meeting. The external auditor shall be present if deemed necessary due to the nature of the matters being processed. The chairperson of the nomination committee shall be present when election and remuneration of board members are to be considered. The general meeting is opened by the chair. The board endorses an independent meeting chair elected by the general meeting.

The minutes of the general meetings are available on Protector's website in both Norwegian and English.

7. 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 for two years unless the general meeting decides upon a shorter period. The nomination committee is independent of the company's board and management, and its composition aims to ensure broad representation of shareholder interests.

The nomination committee shall make recommendations to the general meeting on the following matters:

- Appointment of the chairperson and the deputy chairperson, shareholder-elected members, and deputies to the board of directors.
- Remuneration of the members of the board of directors.
- Appointment of chairperson and members of the nomination committee as well as deputy members where required.
- Remuneration of the members of the nomination committee.

The committee must give reasons for their recommendations. The committee shall operate in accordance with the Norwegian Code of Practice for Corporate Governance.

The general meeting can set out further directives for the work of the nomination committee.

8. THE BOARD OF DIRECTORS

According to the articles of association, the company's board shall consist of 5 to 9 members, as further decided by the general meeting. The board's gender representation must comply with section 6-11 of the Norwegian Public Limited Liability Companies Act.

Shareholder-elected board members are elected for two years at a time, unless the general meeting decides upon a shorter period. The chairperson of the board and deputy chairperson 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, the 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 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 annual report. Moreover, note 17 to the annual accounts states how many shares the individual shareholder owns in the company. Members of the board are encouraged to own shares in the company.

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

In the company's opinion the current board 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.

9. THE WORK OF THE BOARD OF DIRECTORS

The duties of the board

The board is accountable for the management and organisation of the company and for supervising its day-to-day management and activities in general. In addition to the mandatory requirements, the board 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. If the chairman of the board cannot or should not chair the meeting, the meeting is chaired by the deputy chair. In accordance with its instructions, the board shall, to the extent it is necessary, adopt strategies, business plans and budgets for the company. The board also ensures that the company has a good management with a clear internal allocation of responsibilities and duties. In this context, a set of instructions has been prepared for the CEO.

The company adopts a prudent approach towards transactions involving shareholders, board members, senior executives, and their close associates. To avoid damaging the company's reputation, the board is of the opinion that it is 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 handled by the board. The board shall ensure that agreements with related parties is balanced and without a conflict of interest with the company.

A member of the board may not participate in the discussion or decision of any matter which is of such particular importance to him- or herself or any related party that he or she must be deemed to have a special and prominent personal or financial interest in the matter, cf. the Norwegian Public Limited Liability Companies Act § 6-27 This provision is similarly applicable to the CEO.

Each year, the board adopts a concrete meeting and work plan for the following year. The plan covers both strategy work, other relevant business issues and control work.

The board conducts an annual evaluation of its activities and, on this basis, discusses improvements in the organization and the execution of the board work. The report from the board's evaluation is made available to the nomination committee.

In 2023, 8 board meetings were held. One board member was absent from one meeting, and another from two other meetings. Apart from that, all board members participated in all board meetings.

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. In 2023, the remuneration committee held 3 meetings.

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. In 2023, the audit committee held 8 meetings.

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. In 2023, the risk committee held 8 meetings.

10. RISK MANAGEMENT AND INTERNAL CONTROL

The board 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 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 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 committees support 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 managed 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 that managers will:

- At all times have an overview of significant risk factors within their own area of responsibility.
- 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 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 accounting 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 Norwegian 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.

11. REMUNERATION OF THE BOARD OF DIRECTORS

The annual general meeting determines the fees paid to the board 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 board has no options or other performance-based remuneration. Members of the board and board committees receive a fixed annual fee and a fee per meeting in the board committees. Details of the amounts paid to the individual board members are provided in the remuneration 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 remuneration report. The company does not give loans to members of the board.

12. REMUNERATION OF EXECUTIVE PERSONNEL

The board has established guidelines on the determination of salaries and other remuneration to senior executives. The guidelines ("The board's guidelines for determination of salary and other remuneration to employees") 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 is subject to an absolute limit. Awarded individual bonus can amount up to 100% of fixed salary in the earning year including holiday pay.

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

The board determines the remuneration for the CEO, with the remuneration committee contributing as an advisory body in the decision process. Terms and remuneration for other senior executives are determined by the CEO within the framework approved by the board. Senior management is encouraged to own shares in the company.

13. INFORMATION AND COMMUNICATIONS

For the communication of financial and other price sensitive information, the board has based its policy ("Policy for Financial Information and Investor Relations") 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, and requirements for equal treatment of the participants in the securities market, cf. the Norwegian Securities Trading Act § 5-14 and the Norwegian Public Limited Liability Companies Act §§ 4-1 and 6-28.

Annual and quarterly reports are made available via the Oslo Stock Exchange's reporting system and on the company's website. The company also aims to provide publicly accessible 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.

Only publicly available information is presented to individual shareholders or other interested parties. Said policy is available at www.protectorforsikring.no.

14. TAKE-OVERS

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

The board 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 Norwegian 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 or CEO any special authority for use in such situations.

15. AUDITOR

The auditor is elected by the general meeting.

The auditor shall submit the main features of the plan for the audit of the company to the board's audit committee annually.

The auditor shall take part in meetings with the board 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 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.

CORPORATE SUSTAINABILITY

STRATEGY AND OVERALL STATUS

Protector asserts that if an insurance company excels in its core business, it contributes to sustainability. Consequently, and based on the company's materiality analysis, Protector's sustainability strategy supports its core business and consists of the following four pillars:

- People
- Climate resilience
- Climate-effective solutions
- Responsible business behaviour

UN environment programme | finance initiative

Principles for Sustainable Insurance

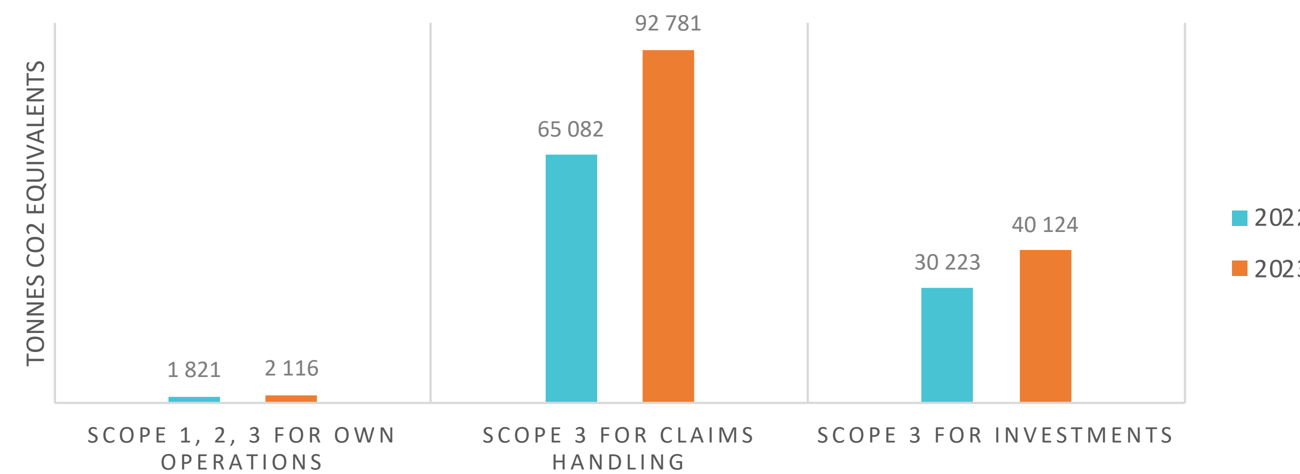
In short, this means that the company strives for a good working life throughout its value chain, that it considers climate risk in its risk assessment and product development, reduces its carbon footprint through loss prevention and competent claims settlement, and takes responsibility in the fight against corruption, money laundering, and through its investments.

The company is a signatory of UN's Principles for Sustainable Insurance, and its approach to sustainability is aligned with those principles. Protector reports on its climate footprint in accordance with the GHG protocol and uses this to further optimise its sustainability efforts.

In 2023, the company has increased its efforts for sustainability, making progress in all focus areas. Protector's emissions in CO2 equivalents for 2023 was 12.95 tonnes per million GWP. This is a reduction from 13.68 tonnes per million GWP for 2022.

See appendix for more details on Protector's climate accounting.

OVERALL CLIMATE ACCOUNT 2022 & 2023



The company uses the GRI standard as a framework for planning, structuring, and presenting its work on sustainability.

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

In 2024, the company will increase the momentum of its sustainability efforts.

The remainder of this chapter describes how Protector works with the four pillars. It is split into four main sections, one for each pillar. Each section starts with a figure detailing our strategy for that area.

GRI references

Topic	Description	Indicator	Section
Climate accounting			
Scope 1	Direct (Scope 1) GHG emissions	GRI 305-1	Appendix A - GHG Inventory Report
Scope 2	Energy indirect (Scope 2) GHG emissions	GRI 305-2	Appendix A - GHG Inventory Report
Scope 3	Other indirect (Scope 3) GHG emissions	GRI 305-3	Appendix A - GHG Inventory Report
GHG intensity	GHG emission intensity	GRI 305-4	Strategy and overall status
People			People
An engaging place to work - training and education	Programs for upgrading employee skills and transition assistance programs	GRI 404-2	People
An engaging place to work - training and education	Percentage of employees receiving regular performance and career development reviews	GRI 404-3	People
An engaging place to work - employment	New employees hires and employee turnover	GRI 401-1	People
An engaging place to work - employee satisfaction	Results from employee satisfaction survey	Customized	People
Equity and diversity - diversity of governance body and employees	Diversity of governance bodies and employees	GRI 405-1	People
Equity and diversity - diversity of governance body and employees	Ratio of basic salary and remuneration of women to men	GRI 405-2	People
Equity and diversity - actual status for gender equality	KPIs in accordance with the Norwegian activity duty legislation	ARP	People
Human and labour rights at our suppliers	Employee training on human rights policies or procedures	GRI 412-2	People
Climate efficient solutions			
Loss prevention - policies designed to incentivize responsible behaviour	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviours	FN-IN-410b.2	Climate efficient solutions
Loss prevention - inspections, deviations and measures	Number of inspections of public sector customers, number and type of deviations and following measures to close deviations per country or region.	Customised	Climate efficient solutions
Reduced climate footprint in claims settlement - circularity of motor	Share of used parts and repair rate of damaged glass	Customised	Climate efficient solutions
Climate Resilience			
Routines and processes for managing climate risk - climate risk exposure	Discussion and qualitative analysis of climate related risk exposure	FN-IN-410b.2	Climate resilience
Routines and processes for managing climate risk - climate risk exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	FN-IN-450a.1	Climate resilience
Routines and processes for managing climate risk - climate risk exposure	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	FN-IN-450a.3	Climate resilience
Routines and processes for managing climate risk - climate risk exposure	Financial implications and other risks and opportunities due to climate change	GRI 201-2	Climate resilience
Climate resilience in product development and pricing - climate mitigation and adaptation	Description of activities that are taxonomy-eligible and taxonomy-aligned	EU Taxonomy	Climate resilience
Responsible Business Behaviour			
Responsible business behaviour in our own operations - anti-corruption assessment	Operations assessed for risk related to corruption	GRI 205-1	Responsible business behaviour
Responsible business behaviour in our own operations - anti-corruption training	Communication and training about anti-corruption policies and procedures	GRI 205-2	Responsible business behaviour
Responsible business behaviour in our external relationships - supplier assessment	New suppliers that were screened using social criteria	GRI 414-1	Responsible business behaviour
Responsible business behaviour in our external relationships - supplier assessment	New suppliers that were screened using environmental criteria	GRI 308-1	Responsible business behaviour
Responsible investments - incorporation of ESG factors in investment management	Description of approach to incorporation of environmental, social, and governance factors in investment management processes and strategies	FN-IN-410a.2	Responsible business behaviour
Responsible investments - portfolio GHG emissions intensity	Scope 1 and 2 emissions of the objects that Protector invest in, divided by each object'sMUSD revenue, allocated by ownership	GRI 305-4	Responsible business behaviour

PEOPLE

At the end of 2023, the company had 526 permanent employees. Of these, 167 are employed in Norway, 130 are employed in Sweden, 55 are employed in Denmark, 150 are employed in the UK and 24 are employed in Finland.

Absence due to illness in Protector in 2023 was 2.4%, compared to 2.8%, 2.9%, and 1.9% in 2022, 2021 and 2020. There have been no occupational accidents or occupational injuries during 2023.

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-based organisation that regards its employees as its most important asset. The company offers an environment conducive to professional growth.

The company implements a structured approach to employee development, categorised as experiential learning, social learning, and formal learning. To steer this development, quarterly Status and Planning and annual 270/360 reviews are conducted for each employee.

- Experiential learning: Employees are strategically assigned tasks that align with their skill sets to facilitate growth through day-to-day responsibilities.
- Social learning: Within most of the company's professional communities, weekly sessions are organized for sharing experiences and discussing challenging issues. This encourages a culture of continuous learning and feedback.
- Formal learning: Our digital learning portal, "Knowledge Hub," offers hundreds of in-house courses on Protector practice. Additional external courses offer certification and professional development.

Moreover, Protector has three distinct leadership development programs and a cross-border onboarding program. These programs reinforce the company's values, social learning, and encourage knowledge-sharing across different business areas.

Protector has a work environment committee that focuses on a positive working environment in the company. In 2023, the company has implemented a new reporting system that makes it easier for employees to anonymously report any objectionable conditions. Furthermore, the personnel handbook is continuously revised to better document the employees' rights and duties.

As an indicator of whether Protector is 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 where each employee is asked to give an assessment on a scale from 1 to 10. Protector's target is an average evaluation of 8, which is expressed as a score of 80.

The company sees, for the period it has comparable data, a positive development. The score in spring and autumn 2023 was 76.4 and 75.9 respectively. The overall score is at a good level, but there is still potential for improvement in some departments.

Turnover						
Country	**2022**			**2023**		
	Woman	**Men**	**Total**	**Woman**	**Men**	**Total**
Protector Insurance	27.4%	16.1%	20.85%	18.1%	16.9%	17.41%
Norway	32.7%	13.3%	21.08%	19.5%	7.3%	12.29%
Sweden	27.9%	25.7%	26.68%	22.8%	24.5%	23.75%
Denmark	27.8%	34.0%	31.51%	39.0%	39.6%	39.33%
UK	22.9%	5.3%	12.04%	6.3%	13.3%	10.59%
Finland	14.9%	0.0%	9.81%	0.0%	12.7%	4.34%

EQUALITY AND DIVERSITY

All employees shall experience job satisfaction, commitment, and security, and should be entitled to the same rights, duties, and opportunities, irrespective of gender, pregnancy, leave in connection with childbirth or adoption, care responsibilities, ethnicity, religion, belief, disability, sexual orientation, gender identity, gender expression, age, or other significant characteristics of a person.

Furthermore, Protector considers diversity, equity, inclusion and belonging (DEIB) central to its performance culture. This enables the company to recruit the right people, make best-in-class decisions, innovate, and better serve a diverse range of partners and customers.

Protector's efforts towards DEIB will be deliberate and conducted collaboratively with the company's employees.

Everyone in the company, regardless of their position, has a responsibility to embrace each other's differences and respect the dignity that everyone has the right to in their workplace.

As part of onboarding, all employees are required to sign the company's DEIB policy, which outlines our work on diversity, equity, inclusion and belonging, and the company's ethical guidelines.

2023 statistics

This reporting is either cumulative for 2023, or the status per 31.12.2023.

The table covers permanent employees. For more information on board and level 1 remuneration, see the company's annual remuneration report for executive personnel.

Job level	Gender balance				Remuneration	
	Number of women	Number of men	Share women	Total	Differences in total remuneration (%)	Differences in annual salary (%)
Board	**3**	**4**	**43%**	**7**	**70.7%**	**-**
Protector Insurance	**219**	**307**	**42%**	**526**	**71.7%**	**79.4%**
Level 1	1	10	9%	11	53.8%	51.7%
Level 2	8	15	35%	23	82.5%	90.0%
Level 3	12	32	27%	44	74.7%	79.3%
Level 4	30	35	46%	65	89.0%	91.8%
Level 5	92	95	49%	187	92.4%	93.3%
Level 6	76	118	39%	194	102,5%	102,4%
Level 7	-	1	0%	1	-	-
Norway	**66**	**101**	**40%**	**167**	**58.0%**	**67.1%**
Level 1	1	6	14%	7	53.6%	51.9%
Level 2	2	6	25%	8	82.3%	99.2%
Level 3	4	20	17%	24	72.1%	73.5%
Level 4	8	10	44%	18	72.9%	78.4%
Level 5	19	30	39%	49	93.4%	96.2%
Level 6	32	28	54%	60	90.6%	91.8%
Level 7	-	1	0%	1	-	
Sweden	**57**	**73**	**44%**	**130**	**73.5%**	**87.4%**
Level 1	-	2	0%	2	-	-
Level 2	1	4	20%	5	61.7%	85.9%
Level 3	2	1	67%	3	113.3%	117.5%
Level 4	6	5	55%	11	140.5%	141.4%
Level 5	11	14	44%	25	97.0%	96.4%
Level 6	37	47	44%	84	106.0%	104.4%
Level 7	-	-	-	-	-	-
Denmark	**25**	**30**	**45%**	**55**	**102.3%**	**102.7%**
Level 1	-	1	0%	1	-	-
Level 2	2	1	67%	3	113.3%	116.6%
Level 3	4	2	67%	6	107.7%	101.1%
Level 4	2	5	29%	7	146.7%	147.7%
Level 5	12	13	48%	25	99.6%	100.4%
Level 6	5	8	38%	13	82.8%	84.4%
Level 7	-	-	-	-	-	-
UK	**55**	**95**	**37%**	**150**	**89.3%**	**88.6%**
Level 1	-	1	0%	1		
Level 2	3	3	50%	6	89.8%	76.0%
Level 3	2	8	20%	10	88.0%	86.6%
Level 4	11	14	44%	25	85.1%	85.6%
Level 5	26	37	41%	63	89.9%	89.5%
Level 6	13	32	29%	45	93.0%	92.3%
Level 7	-	-	-	-	-	-
Finland	**16**	**8**	**67%**	**24**	**81.7%**	**82.2%**
Level 1	-	-	-	-	-	-
Level 2	-	1	0%	1	-	-
Level 3	-	1	0%	1	-	-
Level 4	3	1	75%	4	115.1%	112.2%
Level 5	8	1	89%	9	117.7%	112.9%
Level 6	5	4	56%	9	93.0%	92.9%
Level 7	-	-	-	-	-	-

Gender balance		Temporary employment		Part-time employment			
				Part-time employment		Involuntary part-time work	
Number of women	Number of men	Temporarily employed women	Temporarily employed men	Part-time women	Part-time men	Involuntary part-time women	Involuntary part-time men
233	330	8.2%	7.6%	3.0%	1.8%	0.0%	0.0%

The figures above include temporary positions such as summer substitutes, part-time employees, and various student positions. As of 31 December 2023, there were five women and one man in temporary positions. The figures for temporary employees do not include employees who left before 31 December 2023. There were no employees in involuntary part-time positions in the company in 2023.

Parental leave		
	Women's parental leave*	Men's parental leave*
Protector Insurance	**16.8**	**12.9**
Norway	20.3	19.6
Sweden	9.6	11.5
Denmark	-	5.5
UK	20.6	2.0
Finland	28.6	2.0

*Average number of week

The parental leave statistics are based on the number of weeks of parental leave per gender, divided by the number of persons of that gender who have taken parental leave. Note that Protector UK provides significant parental leave entitlements beyond those that are statutory.

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	**-**	**42.9%**	**57.1%**
Protector Insurance	**37.7%**	**51.0%**	**11.2%**
Level 1	-	63.6%	36.4%
Level 2	8.7%	65.2%	26.1%
Level 3	4.5%	75.0%	20.5%
Level 4	20.0%	69.2%	10.8%
Level 5	19.9%	64.3%	15.8%
Level 6	69.5%	27.6%	2.9%
Level 7	100.0%	-	-
Norway	**28.3%**	**59.6%**	**12.0%**
Level 1	-	57.1%	42.9%
Level 2	-	75.0%	25.0%
Level 3	4.2%	83.3%	12.5%
Level 4	5.6%	88.9%	5.6%
Level 5	18.4%	67.3%	14.3%
Level 6	59.3%	33.9%	6.8%
Level 7	100.0%	-	-
Sweden	**53.1%**	**40.0%**	**6.9%**
Level 1	-	100.0%	-
Level 2	40.0%	60.0%	-
Level 3	-	100.0%	-
Level 4	45.5%	45.5%	9.1%
Level 5	16.0%	56.0%	28.0%
Level 6	69.0%	29.8%	1.2%
Level 7	-	-	-
Denmark	**16.4%**	**70.9%**	**12.7%**
Level 1	-	100.0%	-
Level 2	-	100.0%	-
Level 3	-	66.7%	33.3%
Level 4	28.6%	71.4%	-
Level 5	8.0%	76.0%	16.0%
Level 6	38.5%	53.8%	7.7%
Level 7	-	-	-
UK	**46.0%**	**40.0%**	**14.0%**
Level 1	-	-	100.0%
Level 2	-	33.3%	66.7%
Level 3	10.0%	50.0%	40.0%
Level 4	20.0%	60.0%	20.0%
Level 5	28.6%	60.3%	11.1%
Level 6	100.0%	-	-
Level 7	-	-	-
Finland	**16.7%**	**75.0%**	**8.3%**
Level 1	-	-	-
Level 2	-	100.0%	-
Level 3	-	100.0%	-
Level 4	-	100.0%	-
Level 5	11.1%	66.7%	22.2%
Level 6	33.3%	66.7%	-
Level 7	-	-	-

FRAMEWORK FOR OUR WORK WITH DIVERSITY, EQUITY, INCLUSION AND BELONGING

The company has established a committee dedicated to promoting DEIB. The committee is composed of representatives from Human Resources and employees across our business units. Its work will:

- Identify risks of discrimination and obstacles to equality.
- Analyse the causes of risks, obstacles, and gender differences.
- Plan and implement actions that counteract discrimination and promote equality and diversity.
- Evaluate the measures.

The committee conducts quarterly meetings to review progress on the different initiatives.

Protector is a signatory of the Women in Finance Charter. In accordance with this charter, the company is targeting a balanced representation in all management levels, with a minimum of 40% of any gender.

STATUS & PLANS GOING FORWARD

2023 marked an important year for Protector as it redefined its approach to Diversity, Equity, Inclusion, and Belonging, evolving from its previous focus on Equality, Diversity, and Inclusion.

This new direction, shaped by input from all employees, included following measures in 2023:

- Comprehensive DEIB Training: Completion of a DEIB course by all employees to align understanding and commitment across Protector.
- Objective Recruitment Tools: Introduction of a new job analysis template and a job advertisement template with inclusive language, designed to minimize biases and attract a diverse range of candidates.
- Enhanced Interview Process: Implementation of a structured interview system with standardised templates and scoring to ensure objective candidate evaluations.
- Candidate Experience Survey: Launch of a Candidate Net Promoter Score (cNPS) to gather feedback from all job applicants, helping to continuously improve the recruitment process.
- Language Accessibility: Offering language courses to new employees, supporting a multicultural and inclusive workforce.
- 'Your Voice' Whistleblowing System: A confidential platform for employees to safely report concerns, promoting ethical behaviour and accountability.
- Equitable Succession and Compensation: Restructuring of succession planning and salary benchmarking for gender balance, along with targeted efforts to increase female representation in leadership roles.

The company sees a positive development due to these and earlier measures. In the employee satisfaction survey for the autumn 2023, Protector achieved a DEIB score of 70.6, which is a minor improvement compared to the 2022 score.

Protector has seen an increase in the diversity of its applicants and is eager to continue the trend by focusing on job analysis, job ads and how the company structures its recruitment process in 2024.

The DEIB committee is scheduled to re-evaluate risks and obstacles to equality in Q1 2024, using insights from recent measures to inform the company's plan for the upcoming year.

HUMAN AND LABOUR RIGHTS AT OUR SUPPLIERS

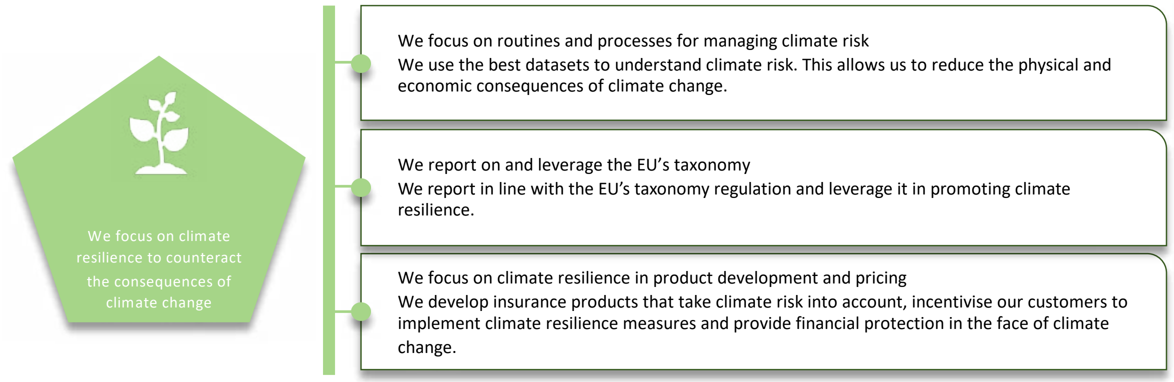
Employees at our suppliers shall experience job satisfaction, commitment, and security, and should be entitled to the same rights, duties, and opportunities, irrespective of gender, pregnancy, leave in connection with childbirth or adoption, care responsibilities, ethnicity, religion, belief, disability, sexual orientation, gender identity, gender expression, age, or other significant characteristics of a person. Children shall not be used as labour and forced labour shall not occur.

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.

Protector requires that its Code of Conduct must be signed and complied with by all new contractual partners before a collaboration can start. This document is based on OECD 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 Protector's 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 has published on its website an account of the specific due diligence assessments carried out. The account shall be revised yearly by 30 June, or in the event of significant changes.

CLIMATE RESILIENCE



ROUTINES AND PROCESSES FOR MANAGING CLIMATE RISK

Protector recognises that unwanted weather-related events are becoming more frequent and more severe. Proper forward-looking assessment of climate risk is increasingly important to understand what risk the company's potential customers are exposed to, and thus what risk is transferred to Protector through its insurance.

Climate risk is the potential for negative financial and operational impacts that organisations may experience because of climate change. It has two elements:

- *Physical Risks:* These are the risks arising from the physical effects of climate change, such as extreme weather events, sea-level rise, and changes in temperature. They can lead to asset damage, supply chain disruptions, and increased operational costs.
- *Transition Risks:* These risks are associated with the transition to a lower-carbon economy. They include policy changes, technological advancements, and shifts in market demand that could make existing business models obsolete or increase costs for non-sustainable practices.

Protector's general exposure to climate risk, through having only customers in the Nordic countries and the United Kingdom, is somewhat 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 and steel.

The company's underwriting is based on analysis, data, modern tools, on-site inspections, and loss prevention. Its 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 and comprehensive 8-step process to carefully understand and manage the current climate risk. Through this process, Protector 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 immediate measures are important mitigating factors in the event of a disaster. If Protector can give advice to customers before undesirable events occur, the consequences of the events could be reduced.

Unexpected claims often lead to reviews of portfolio and exposures. Lessons are applied in loss prevention and renewal coverage, terms, and conditions.

Protector evaluates its portfolio's climate risk on a quarterly basis and take this into account through reinsurance. The company employs recognized tools and methods such as AIR and RMS in its climate risk evaluation. Its reinsurance now covers an estimated 1-in-6,250-year event. In line with Protector's reinsurance policy, the maximum deductible exposure is DKK 100 million, regardless of the type of event that occurs.

In 2023, Protector licensed a new catastrophe modelling tool from RMS. This tool is designed to assess and mitigate risks associated with natural disasters, such as windstorms and floods. Utilising advanced modelling techniques, data analytics, and geospatial technology, it evaluates the potential impact of these events on properties, infrastructure, and communities. This new license will enable Protector to better understand and manage its exposure to natural catastrophes by providing insights into potential losses, thereby facilitating improved risk pricing, underwriting, and strategic decision-making. The license covers UK flood and windstorm risks as well as Danish windstorm risks.

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 based on 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, including breaking climate risk down into physical, transition and liability risk, can be found in the company's Report on Solvency and Financial Position 2023.

In 2023, the company updated its assessment of how climate change influences risks over a 50-year perspective. In this analysis, Protector focused on floods and windstorms to try and forecast scaling factors for both perils in the future. For floods, the company attempted to predict the shifts in expected return periods across different climate zones, using future rainfall predictions linked to global surface warming. In the case of windstorms, the analysis considered the impact of rising sea surface temperatures, a factor that typically results in storms becoming more frequent and severe. However, increased warming further north is expected to result in a weakening of the temperature gradient across Northern and Southern Europe, meaning that windstorm formation may become less frequent. There is, of course, huge uncertainty surrounding these forecasts, but it illustrates how Protector works on its climate resilience.

Protector's goal is to continue its profitable growth. To support this goal, the company will continually improve its underwriting. Through participation in the "Industry Board risk and damage", the board of the Norwegian Natural Perils Pool and close cooperation with its reinsurance broker, Protector has broad access to market trends, data, advice, and knowledge that is relevant for managing climate risk.

TAXONOMY DISCLOSURE FOR INSURANCE ACTIVITIES

The EU's taxonomy establishes a classification system defining which economic activities have the potential to contribute to the transition to an environmentally sustainable future, or already do so. These activities are termed 'taxonomy eligible' and 'taxonomy aligned,' respectively.

These disclosures are based on Protector's best understanding of the requirements set out in the legislation and associated guidance at the time of preparing the reporting. The company will continue to follow the regulatory developments closely.

The company shall leverage the taxonomy to reduce both its customers' and its own climate risk. In determining if an insurance product is eligible, the company uses the technical screening criteria set out in annex 1 of commission delegated regulation 2015/35.

Taxonomy disclosure for insurance activities	
Economic activity	Share of insurance revenue*
General insurance underwriting of taxonomy-aligned activities	0.00%
General insurance underwriting of taxonomy-eligible activities	86.9%
General insurance underwriting of non-taxonomy-aligned and non-taxonomy eligible activities	13.1%
*See note 5 for details such as insurance revenue per segment	

Protector sees substantial potential to contribute to the transition to an environmentally sustainable future.

The company's exposure to sectors defined per the EU's Taxonomy regulation as constituting significant harm is limited. Significant harm comprises economic activities that do not comply with the taxonomy's requirement for sustainable activity.

For general insurance this is related to en environmental objective 1 – reduce and prevent GHG emissions and includes production, storage, transport and further processing of fossil fuels. Filtering on the insured's NACE code, Protector's insurance revenue from these sectors constitutes approx. 0.15% of the total insurance revenue.

Do no significant harm (DNSH) disclosure	
Sector	Share of insurance revenue*
Mining of coal and lignite	0.00005%
Extraction of crude petroleum and gas	0.02798%
Transportation via pipeline	0.00243%
Wholesale of solid, liquid, and gaseous fuels and related products	0.12377%
Manufacturing of coke and refined petroleum products	0.00084%
*For the period from November 2022 to November 2023	

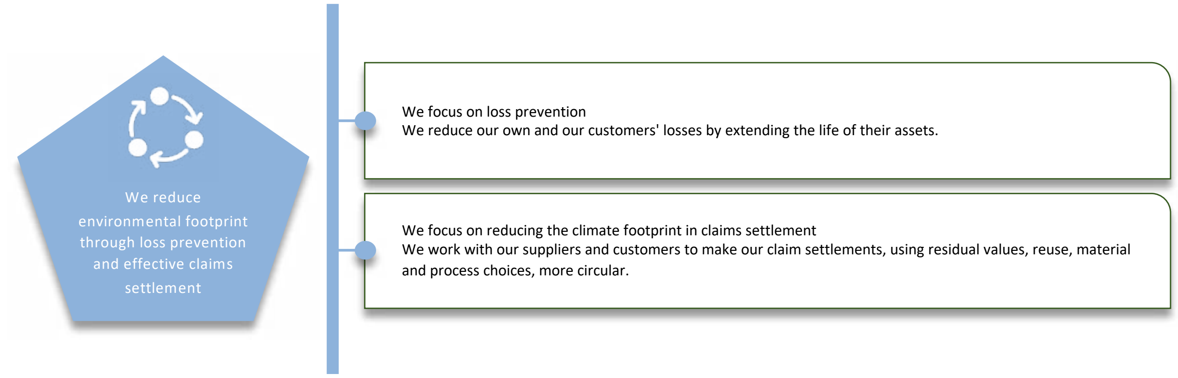
CLIMATE RESILIENT PRODUCT DEVELOPMENT

A changing climate affects which cover, terms, conditions, and pricing are right for Protector's products. The company is already seeing changes to what perils exist: causes of damage such as hailstorms and forest fires are more prominent now than before.

Protector reviews and adjusts its product offering on an annual basis. This is based, among other things, on input from brokers, customers, industry organisations, and claims data.

The result is that the company develops insurance products that take climate risk into account, incentivise its customers to implement climate resilience measures and provide financial protection in the face of climate change. In 2024, the company will strengthen its work on environmentally sustainable products, and start reporting on taxonomy alignment. This enables Protector to offer the products the market needs and ensures its continued profitable growth.

CLIMATE EFFICIENT SOLUTIONS



LOSS PREVENTION

The most effective climate measures for a non-life insurance company are to prevent damage from occurring, and to reduce the consequences if an adverse event should occur. Loss prevention is therefore central to Protector and its commitment to climate efficiency.

The three main tenets of the company's loss prevention strategy are in-depth risk assessment, continuous improvement and engagement, and timely warning and remediation.

In-depth risk assessment involves inspections and evaluations of both potential and existing customers to identify any risks or deviations. This proactive approach ensures that risks are understood, correctly priced, and deviations and other risk mitigating measures are identified. The closing of deviations and implementation of risk mitigating measures can lead to price reductions.

In 2023, the company has continued its work with inspections and identification of deviations.

2023 statistics for property-related inspections				
Country	Customers inspected	Buildings inspected	Buildings with deviations	Share of buildings with deviations
Norway	79	405	230	57%
Denmark	16	355	262	74%
Sweden	83	1158	474	41%
UK	128	1 693	448	26%
Total	306	3 611	1 414	39%

The statistics above show that this is an area with potential for improvement. Note that there are differences in building types and risk profiles across the company's markets, which accounts for some of the differences above.

Continuous improvement and engagement is an ongoing process of enhancing both Protector's and its customers' loss prevention practices and maintaining active engagement with its customers. This includes offering advice, courses, guidelines, following up on previous reports, and conducting audits to ensure that risks are consistently managed, and mitigations are effectively implemented over time.

Protector develops its own and the market's understanding of loss prevention practices. Following larger incidents, the company undertakes investigations to understand the causes of loss, assess the effectiveness of the implemented loss prevention strategies, and determine additional measures to prevent future occurrences. The company moreover has a history of contributing to new safety regulations through industry associations.
An example of this tenet is the Risk Academy webinar series. In these sessions, the company engages with customers and brokers to discuss cost-effective mitigations for frequent losses and emerging risks. The company witnessed a 150% increase in attendance year-over-year.

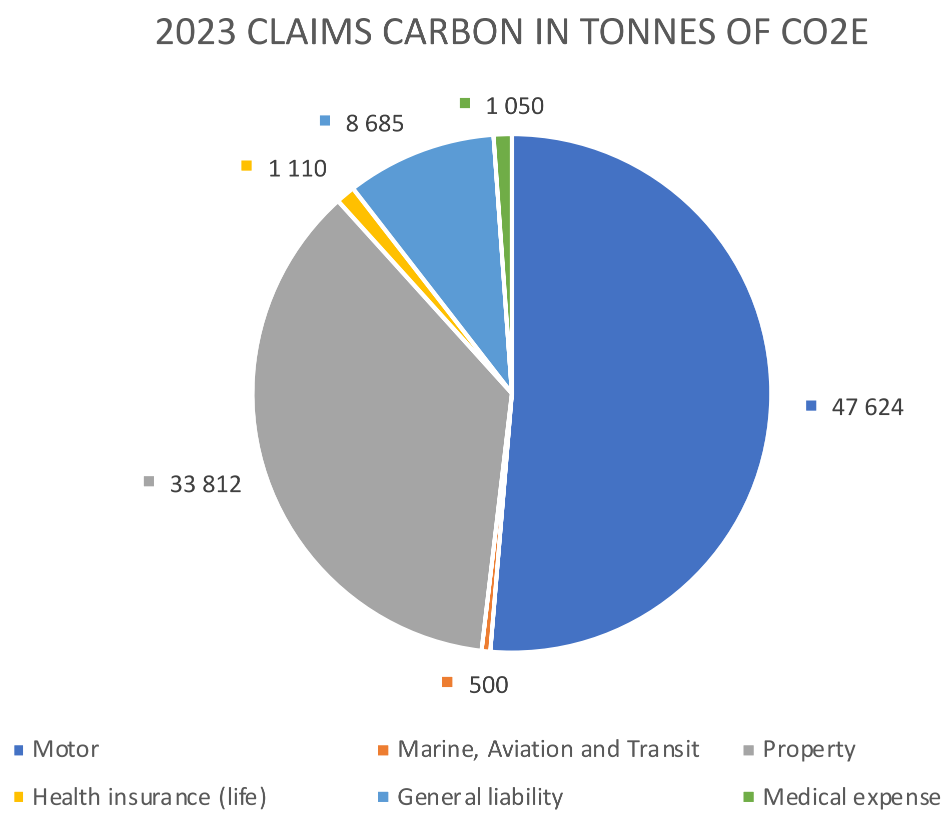
Immediate measures through timely **warning and remediation** can reduce the consequences of an undesirable event. The company therefore gives advice on and provides early warning, and remediation is key to efficient settlement of claims. The latter is described more in-depth in the next section.

The company believes that this focus on loss prevention sets it apart from other insurance companies and adds significant value to its customers. In 2024, together with its customers, Protector will improve its efforts of preventing undesirable events from occurring and reducing the consequences of those that do occur.

REDUCED CLIMATE FOOTPRINT IN CLAIMS SETTLEMENT

Protector handles over 184,000 claims annually. As shown in this chapter's introduction, claims represent most of Protector's greenhouse gas emissions.

How these claims are settled is one of the company's biggest opportunities for both sustainability and cost savings. The company is committed to capitalizing on these opportunities.



Within claims handling, Protector has identified the greatest potential for reduction in its climate footprint in motor and property, and these segments will be our primary focus in our ongoing sustainability efforts.

In these segments, the company works closely with its suppliers and customers to:

- Increase the proportion of repair, reuse, and recycling when settling a claim.
- Employ climate-friendly materials and processes.
- Evaluate damage with the goal of identifying residual values and potential climate measures.

Protector influences, through industry organisations such as Finance Norway, industry standards to allow for more repairs and reuse. This provides financial gain both for the customer and for the company. In addition, in those cases where it is difficult to sell damaged but usable items, Protector donates those to charity.

Motor

Protector recommends workshops for each geographical area. Recommended workshops have incentives for environmental and cost savings and can document satisfactory operations in accordance with requirements and quality standards Protector sets.

When selecting a workshop to recommend, factors considered include whether it is independent or not, its specialisation, cost, and the need to ensure sufficient volume for smaller workshops. Workshops specialising in certain repairs, such as glass damage, tend to have a higher repair rate.

The company's key sustainability requirements to its workshops are:

- Repair where feasible.
- If repairs are not feasible, use used parts where feasible.
- Employ climate-friendly materials and processes.

Used parts and repairs of glass				
Country	Share of parts that were used (2023)	Target share used parts (2025)	Share of glass repaired (2023)	Target share of glass repaired (2025)
DK	1.1%	1.5%	24.4%	33%
NO	1.4%	2%	28%	33%
SE	10.7%	12%	31%	33%

The table above shows shares for used car parts and glass repairs. The methodologies for calculating these shares vary by country, making these figures 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.

A smart standard measure by the insurance industry is waiving the deductible when the insured party opts for repairing damaged glass instead of replacing it. This approach not only decreases cost for both the insurance company and the policyholder but also minimises the environmental footprint.

Protector is committed to advancing sustainability with its handling of motor claims.

Property

The majority of Protector's property claims relate to buildings. The way these claims are handled is critical.

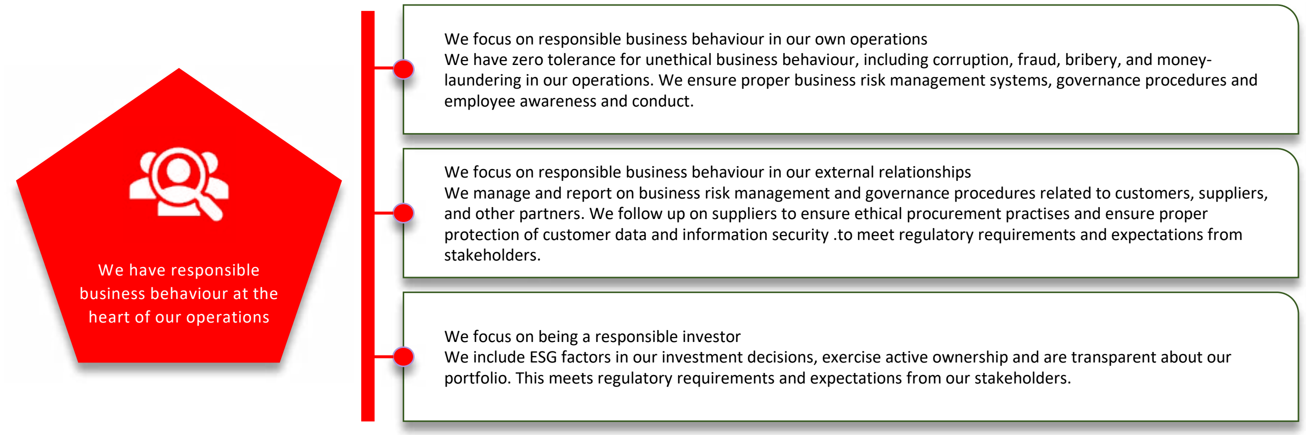
When a building is damaged, quickly initiating remediation measures is key to limiting both cost and environmental footprint. If there is escape of water, stop the leakage and remove the humidity.

Providing its customers with excellent remediation services is therefore strategic to the company, and it has in recent years strengthened this capability through its partnership with Polygon. Protector moreover monitors this supplier's performance through KPIs on waste management, environmentally certified building materials, vehicle emissions, and more.

With remediation well underway, it is time for restoration. For restoration, Protector engages independent and skilled claims appraisers for not only the appraisal but also to ensure that repairs and reconstructions comply with current requirements.

In 2024, Protector will strengthen its work for reduced climate footprint in claims settlements. The company will have more detailed and comparable sustainability targets and implement these in all the markets it operates in. Moreover, the company will use its climate accounting to prioritise the measures with the greatest impact. Through product development, loss prevention, claims handling expertise and supplier management, Protector will achieve its goals.

RESPONSIBLE BUSINESS BEHAVIOUR



OUR OWN OPERATIONS

Protector shall contribute to society, support a great corporate culture and avoid fines and penalties.

Corruption and anti-money laundering

Protector is a non-life insurance company and operates in a business and geographical area where the corruption and money laundering risks are assessed as low.

The company continually works to limit its corruption risk. In 2023, the company's ethical guidelines were updated and signed by all employees. 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 on cases where they have personal interests, or where it may be perceived by others that they have such interests.

All of Protector's employees must complete mandatory anti-corruption training.

The company's effort to reduce the risk of corruption will continue in 2024. The training material will be improved, and the cross-border procurement unit will implement measures increasing the transparency of the company's largest contracts.

Protector has a risk-based approach to money laundering and terrorist financing. Each customer is classified using factors such as type of product, customer, industry, evaluation of coverage structure against customer characteristics, and several other relevant factors. For customers that have been classified as high-risk, Protector implements additional risk reducing measures, bringing the risk down to acceptable levels.

The company actively fights money laundering by closely monitoring high-risk conditions and reporting any suspicions to the relevant authority.

All of Protector's employees must complete a mandatory e-learning course on combatting money laundering and terrorist financing. The company updated its training material and associated guidelines in 2023.

Going forward, the company will keep implementing measures ensuring that the risk of money laundering and terrorist financing remains low.

Information security

Confidentiality, integrity, and availability of information are fundamental to Protector's IT strategy. Every year, the importance of protecting information and information systems from unauthorised access, use, disclosure, modification, or destruction increases.

Information Security is therefore important to Protector. The company follows industry requirements as described in the Norwegian ICT regulations, EIOPA and SoC2. Protector is certified annually according to Cyber Essentials Plus in the UK. In line with EIOPA recommendations, critical external partners are also subject to tests.

Protector's security team is responsible for the implementation of the company's security culture and crisis planning. The company security policy is signed by all employees. Security policies, procedures, and guidelines are organised in a central repository on the company's wiki.

To protect its data and systems, the company has implemented various measures and policies to address each aspect of Information Security:

- To ensure confidentiality, Protector uses encryption, authentication, authorisation, and access control mechanisms to prevent unauthorised access to its data and systems. The company also conducts regular security awareness training for its employees and contractors to educate them on how to handle sensitive information and avoid phishing and social engineering attacks.
- To ensure integrity, the company performs regular backups and audits to detect and recover from any potential data loss.
- To ensure availability, Protector uses redundancy, load balancing, and disaster recovery plans to ensure that its data and systems are always available and functional. The company also monitors and tests its network performance and security to identify and mitigate any potential threats or vulnerabilities.
- Protector provides security training for employees (with a focus on frequent phishing training) and software engineers (security by design).
- The company regularly performs technical tests and tests of its business continuity capabilities.
- The company maintains high standards for infrastructure security that include the use of advanced firewalls and VPN for all external access.

Protector has not experienced any successful attacks during 2023.

Information security is vital for the company as it handles sensitive and financial information. Protector is committed to providing the highest level of information security to its customers, partners, and stakeholders. The company continuously reviews and improves its information security policies and practices to ensure that it meets or exceeds the industry standards and expectations.

Personal data

Protector processes personal data in accordance with relevant data protection laws and regulations. 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 mandatory e-learning on the company's guidelines for the processing of personal data.

Environmental footprint

Protector limits the climate impact of its own operations. The company's offices in Norway and the UK are BREEAM certified. All company offices have easy access to public transport, limiting the need to commute by car. Protector employs strict source separation of waste at all offices. Moreover, the company has, through recent digitalisation, permanently reduced its travel activities.

EXTERNAL RELATIONSHIPS

Protector requires its suppliers to comply with applicable regulatory requirements and industry standards.

This process begins with a thorough review of prospective suppliers before entering into any agreements, ideally using tender submissions and supporting documentation. Furthermore, suppliers must sign Protector's Code of Conduct, thereby confirming their adherence to the stipulated requirements. The company maintains an ongoing relationship with existing suppliers by conducting meetings, obtaining necessary reports, performing quality audits, carrying out inspections, and utilising various other evaluation methods. See also the section on human and labour rights at our suppliers.

Protector offers summer and part-time jobs to a large number of students. This provides important early career work experience. The company considers this to be part of its 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. Grappling with climate risk, the company expects increased requirements, regulations, and costs for activities that have a negative sustainability impact. This view is reflected in our approach to investment.

Protector continued its efforts in this area through 2023. The company published its first policy for responsible investments. To increase awareness, the company rolled out an e-learning course on sustainability to all employees during the year, including a section on responsible investments.

Protector also commissioned a 3rd party evaluation of its process and approach to responsible investments, which will lay the groundwork for further process improvement. Current initiatives include formalising our net zero by 2050 ambition, exploring the potential for allocating a share of the portfolio to assets with stricter ESG requirements (e.g. impact investment), and increasing the number of active ownership dialogues.

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 that are involved in corruption. To ensure that the investment universe contains companies that meet generally accepted ethical guidelines, Norges Bank's exclusion list is applied.

Protector has a 'bottom-up' analysis approach where company-specific factors such as competitive position and valuation are the starting point. Factors related to ESG are integrated in the investment decisions.

The Investment Director has overall responsibility for the integration 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.

Overall, Protector wants to take part in sustainable value creation together with its investees. To achieve this, the company focuses on the following key themes in its work related to ESG:

- Zero emissions by 2050 – ambitions and contributions.
  - o Focusing on investees with high levels of carbon emissions in the portfolio
- Equality, diversity, and inclusion.
  - o Everyone should be entitled to the same rights, duties, and opportunities regardless of a person's characteristics.
- Good corporate governance.
  - o Boards must act in the best interest of the shareholders.
  - o Board members must also be able to contribute perspectives and knowledge to maximise long-term value creation.
  - o Compensation of management and the board must be reasonable and not at the expense of the shareholders.

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

The company compares investees in areas related to the key themes. In cases where there are major differences, investee management will first be encouraged to move in the right direction. If this is not sufficient, a more formal dialogue will be initiated which may lead to exercise of ownership or exiting the investment.

Protector is often a major shareholder or lender. This gives opportunities for exercise of ownership. The exercise of ownership is based on an assessment of how it can have the greatest impact. In some cases, it may be better to retain an ownership position and exert influence rather than exiting the investment.

Examples of active ownership:

- Ongoing contact with management through investor meetings.
  - o In some cases, there is also engagement on board level.
- Promoting best practices from other companies in the same industry.
- Voting and proposals for general assemblies.
- Reviewing and giving input on bond and loan terms.

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

As a starting point, Protector will not invest in companies that have a history of poor corporate governance. Protector contributes to improving governance by participating in election committees where possible. Historically, the company has been active in changing the board composition of several investees to increase competence and value creation.

In 2023, Protector has been represented on the election committees of many investees where the company has a large share of ownership. Examples of this include KnowIT, eWork, Projektengagemang, Elanders, B3, and Dustin.

Through 2023 Protector has improved its understanding and calculations of the carbon intensity of its investment portfolio. Stamdata is now the company's provider of ESG data and comparative figures for 2022 have been recalculated with this new data set.

It is worth noting that Protector uses external managers to a small extent. In the table below only bond funds are externally managed and represent approximately 13% of AUM.

		2022	2023	Unit
Bond founds	WACI	102,9	267	tCO2e/MEUR
	Owned emissions[1]	3 232	12 578	tCO2e
	Data cover	60%	60%	
	Share of analysed assets	6%	13%	
Equities	WACI	22.6	13.0	tCO2e/MEUR
	Owned emissions[2]	3 895	3 414	tCO2e
	Data	77%	86%	
	Estimates[3]	21%	11%	
	Data cover	99%	97%	
	Share of analysed assets	19%	16%	
Corporate bonds[4]	WACI	51	46	tCO2e/MEUR
	Owned emissions[2]	23 096	23 952	tCO2e
	Data	74%	71%	
	Estimates[3]	22%	26%	
	Data cover	97%	97%	
	Share of analysed assets	58%	47%	
Total	WACI[5]	58	64	tCO2e/MEUR
	Owned emissions[1,2,6]	30 223	40 124	tCO2e
	Data cover	78%	69%	

WACI = weighted average carbon intensity, based on Scope 1 + Scope 2

Analysed assets exclude cash and derivatives
1) Funds representing 16.5% of total bond fund investments in 2023 scaled to 100%, remainder not scaled
2) Data + estimates for own holdings scaled to 100%, Scope 1 + Scope 2
3) Estimates based on industry avarage, delivered by Stamdata
4) Excluding government and municipal bonds, no investments in government bonds pr. 31.12.23
5) Weighted average based on data coverage, i.e. not including assets without data/estimates
6) Own bond portfolio scaled to 100% applying corporate bond footprint to municipal bonds.

For internally managed equities and corporate bonds, there was a reduction in carbon intensity (WACI) and owned emissions YoY, resulting in approximately 15% lower owned emissions per invested amount. The carbon intensity was already at a low level last year, reflecting our limited allocation to oil & gas and other high-intensity industries such as shipping. Being 'underweight' in such industries is intentional, as the company views these as having a high level of transition risk.

As for data coverage of the total portfolio, the share of municipal bonds has increased YoY. This change is the main reason for the decrease in data coverage as there are currently no data available for these bonds. Stamdata is developing a methodology for estimating emissions for municipalities, which hopefully can be included in the upcoming 2024 reporting.

Where Protector is exposed to companies with a high carbon intensity, the companies must have a clear plan to reduce emissions. If this does not exist, Protector can still invest, but will then influence the companies to put such a plan in place. Of the top 10 contributors to total emissions, representing the vast majority of owned emissions, 9/10 have carbon reduction targets in place. The company intends to encourage the remaining company to put such targets in place in 2024.

A large share of owned emissions stems from a single company – Yara. This company has set carbon reduction targets across scopes 1, 2, and 3 in line with the Paris Agreement, and is executing on its plan to remove fossil fuels from the production of fertilizers.

In order to optimise carbon intensity, Protector could sell these bonds, which, when considering market value, do not have a large weight in the portfolio. However, the company believes that supporting such companies in their transition makes more sense than withholding capital and increasing their financing costs.

Preliminary assessments indicate that Protector has far lower carbon intensity in its investment portfolio than its peers. The assessments also indicate that the internally managed bond portfolio has a carbon intensity which is significantly lower compared to the bond funds in which the company is invested.

Protector will seek to be the best among comparable insurance companies in terms of the investment portfolio's carbon intensity.

TAXONOMY DISCLOSURE FOR INVESTMENTS

Information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities.

The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments [monetary amounts in MNOK]			
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:	
Turnover-based:	2.1%	Turnover-based:	387
Capital expenditures-based:	1.8%	Capital expenditures-based:	344
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
Coverage ratio:	100%	Coverage:	18 683
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI.		The value in monetary amounts of derivatives.	
	0.2%		32
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non financial undertakings:	34%	For non financial undertakings:	6 358
For financial undertakings:	16%	For financial undertakings:	3 041
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non financial undertakings:	29%	For non financial undertakings:	5 495
For financial undertakings:	16%	For financial undertakings:	3 004
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non financial undertakings:	24%	For non financial undertakings:	4 458
For financial undertakings:	10%	For financial undertakings:	1 877
The proportion of exposures to other counterparties and assets over total assets covered by the KPI:		Value of exposures to other counterparties and assets:	
	0%		0
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	
	0%		0
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI:		Value of all the investments that are funding economic activities that are not Taxonomy-eligible:	
Turnover-based:	16%	Turnover-based:	3 072
Capital expenditures-based:	13%	Capital expenditures-based:	2 405
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI:		Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned:	
Turnover-based:	3%	Turnover-based:	542
Capital expenditures-based:	6%	Capital expenditures-based:	1 078

Continued on next page.

Additional, complementary disclosures: breakdown of denominator of the KPI			
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
Non-financial undertakings - turnover based	2%	Non-financial undertakings - turnover based	387
Non-financial undertakings - capital expenditures based	2%	Non-financial undertakings - capital expenditures based	344
Financial undertakings - turnover based	0%	Financial undertakings - turnover based	0
Financial undertakings - capital expenditures based	0%	Financial undertakings - capital expenditures based	0
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	
Turnover-based:	0%	Turnover-based:	0
Capital expenditures-based:	0%	Capital expenditures-based:	0
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	
Turnover-based:	0%	Turnover-based:	0
Capital expenditures-based:	0%	Capital expenditures-based:	0

A breakdown of the numerator of the KPI per environmental objective has not been done due to lack of data.

The majority of AUM is managed by the company, while a minor portion is invested in bond funds. As of 31.12.23 Protector did not own any government bonds. Derivatives include equity options, currency swaps, and interest rate swaps.

Collecting the required data is difficult, as companies are not yet reporting all the figures which go into the assessment. As an example, financial undertakings will start reporting aligned assets / green asset ratio with their 2023-reporting.

Protector's data provider is not yet capable of delivering all the information required to segment assets properly in NFRD/non-NFRD and an internal assessment has therefore been performed based on public information. As for the taxonomy data, only reported figures are used.

No fund managers (representing 13% of total AUM) were able to provide the granularity required to include these assets in the tables above, therefore these assets have been omitted from the numerator.

Timing has also been an issue as the company's annual report is in many cases prepared far ahead of the annual reports of investees and ahead of fund manager reporting.

NUCLEAR AND GAS TAXONOMY DISCLOSURES

Protector has screened the internal largest holdings representing over 70% of AUM for disclosures related to the Complementary Climate Delegated Act, which includes activities related to the nuclear and gas sectors. None of the largest holdings have disclosed information about such activities and the company sees it as unlikely that the amount will be material once the eligible companies start reporting in the future. The assessment will be updated next year with better data quality.

The only company identified with disclosures related to the Complementary Delegated Act in the latest reporting year available was a Swedish energy company, representing 0.14% of AUM, not ranking among the largest holdings. The conclusion is that such exposures, based on available reporting, are immaterial.

APPENDIX

Protector GHG Inventory Report

GHG Inventory Report – Protector Forsikring ASA

This report is made per the GHG Protocol Corporate Standard and the Scope 3 Standard requirements. The report includes scope 1, scope 2, and material scope 3 emissions. This covers all material value chain emissions for the company.

Descriptive information

Descriptive information	Company response
Company name	Protector Forsikring ASA
Description of the company	Protector offers P&C insurance to large and medium-sized companies as well as to the public sector in Norway, Sweden, Denmark, Finland and the UK
Chosen consolidation approach (equity share, operational control or financial control)	Equity share
Description of the businesses and operations included in the company's organizational boundary	P&C insurance underwriting and claims handling in Norway, Sweden, Denmark, Finland and the UK
The reporting period covered	1.1.2023 - 31.12.2023
A list of scope 3 activities included in the report	Category 1: Purchased goods and services Category 5: Waste generated in operations Category 6: Business travel Category 7: Employee commuting Category 11: Use of sold products Category 15: Investments
A list of scope 1, scope 2, and scope 3 activities excluded from the report with justification for their exclusion	Rest of the Scope 3 categories have been excluded from the report because they are not considered material for a P&C insurance company. Use of agents/brokers potentially could be a material scope 3 for later reporting. In category 15 (Investments) Equities, Bond Funds, and Corporate Bonds are included. Municipal and governmental bonds are not included due to lack of supplier data.

The year chosen as base year and rationale for choosing the base year	Year 2022, as it was the first year when a full GHG inventory was prepared.
Once a base year has been established, the chosen base year emissions recalculation policy. If base year emissions have been recalculated, the context for any significant emissions changes that triggered the recalculation.	Scope 3 Category 6 & 11: Base year is recalculated with improved emission factors as used in 2023 Scope 3 Category 15: Investments have been recalculated for the base year due to improved data availability. Base year's equivalent emissions to 2023 are enclosed inside () in the following table

Greenhouse gas emissions data

Scopes and categories	2022 tCO2e	2023 tCO2e
Scope 1: Direct emissions from owned/controlled operations	1.43	0.0
Scope 2: Indirect emissions from the use of purchased electricity, steam, heating, and cooling	167.13	142.64
Upstream scope 3 emissions		
Category 1: Purchased goods and services	388.21	862.56
Category 2: Capital goods	-	-
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	-	-
Category 4: Upstream transportation and distribution	-	-
Category 5: Waste generated in operations	1.42	1.75
Category 6: Business travel	205.2 (1 054.14)	833.10
Category 7: Employee commuting	208.96	275.74
Category 8: Upstream leased assets		-
Downstream scope 3 emissions		
Category 9: Downstream transportation and distribution	-	-
Category 10: Processing of sold products	-	-
Category 11: Use of sold products	55 417 (65 082)	92 785.00
Category 12: End-of-life treatment of sold products	-	-
Category 13: Downstream leased assets	-	-
Category 14: Franchises	-	-
Category 15: Investments	58 920 (30 223)	40 124.00

Description of methodologies and data used

Scope	Methodologies used to calculate or measure emissions, providing a reference or link to any calculation tools used
Scope 1	No company-owned sources of emissions.
Scope 2	Market-based calculation of indirect emissions from the purchase of electricity and district heating / cooling, based on kWh from each building and the chosen energy mix.

Scope and category	Description of the types and sources of data used to calculate emissions	Description of the data quality of reported emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions	Percentage of emissions calculated using data obtained from suppliers or other value chain partners
Upstream scope 3 emissions				
Category 1: Purchased goods and services	IT equipment and cloud services, based on data from Protector and service providers	Accurate spend data and emission factors	Spend-based calculation with emission factors from service providers	100%
Category 2: Capital goods	-	-	-	-
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	-	-	-	-
Category 4: Upstream transportation and distribution	-	-	-	-
Category 5: Waste generated in operations	Waste generated per employee, based on employee data from Protector and industry averages	Average waste generation per employee in the insurance industry	Activity data (nr of employees at Protector) and average emission factors derived from insurance industry's sustainability reports	0%
Category 6: Business travel	Air travel, accommodation, and business travel with own vehicle, based on spend and activity data from Protector	Medium quality data for air travel and accommo-dation. Accurate activity data for own vehicle and taxi usage.	Estimated no of flights and hotel nights in Northern Europe using spend based activity data. Using the industry's average emissions per flight and hotel nights. Accurate activity data for own vehicle usage in km and average tailpipe emissions	0%
Category 7: Employee commuting	Commuting with own vehicle and with public transit, based on activity data from Protector	Accurate activity data and average emission factors	Accurate activity data (km) for both own vehicle and public transit usage. Average tailpipe and public transit emission factors	0%
Category 8: Upstream leased assets	-	-	-	-

Description of scope 3 methodologies and data used (continued)

Scope and category	Description of the types and sources of data used to calculate emissions	Description of the data quality of reported emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions	Percentage of emissions calculated using data obtained from suppliers or other value chain partners
Downstream scope 3 emissions				
Category 9: Downstream transportation and distribution	-	-	-	-
Category 10: Processing of sold products	-	-	-	-
Category 11: Use of sold products	Indirect emissions that stem from claims settlements when repairing or replacing insured assets, based on claims data from Protector and emission factors from vehicle manu-facturers and average intensity factors for property and liability claims	Accurate claims data from Protector and emission factors from vehicle manufacturers for motor claims. Average emission intensity factors for other LoB:s.	For motor claims, emission calculation is based on all claims from 2023 (paid, reserved, and IBNR). For other LoB:s, emission calculation is based on eligible claims volume multiplied with LoB specific industry emission factors derived from spend-based datasets.	51%
Category 12: End-of-life treatment of sold products	-	-	-	-
Category 13: Downstream leased assets	-	-	-	-
Category 14: Franchises	-	-	-	-
Category 15: Investments	Indirect emissions from asset allocation in stocks and bonds, based on data from Protector and Bloomberg	Accurate investment data from Protector and Scope 1 and 2 emission data from investment objects	Scope 1 and 2 emissions of the objects that Protector invest in are allocated by ownership, and summarized over all investments according to the Scope 3.15.A instruction of PCAF and GHG Protocol	100%

PROTECTOR FORSIKRING ASA

Støperigata 2

PB 1351 Vika, 0113 Oslo

Tlf.: 24 13 17 00

info@protectorforsikring.no

www.protectorforsikring.no

PROTECTOR
forsikring