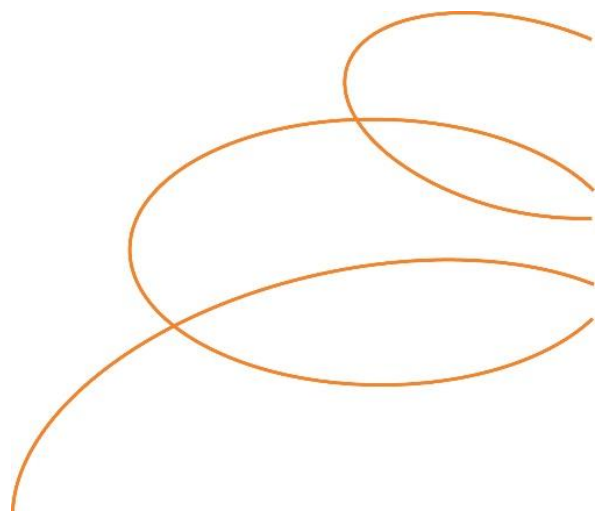




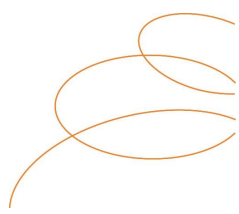
2022 SFCR PROTECTOR FORSIKRING
PROTECTOR FORSIKRING ASA



The document is prepared in accordance with the requirements of the Norwegian Supervisory Authority for SFCR reporting in line with Commission Delegated Regulation 2015/35. *This is an office translation; the Norwegian version of the document precedes in case of deviations.*

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Summary

Protector Forsikring ASA had growth of 19 % (21 % in local currency) in gross written premium in 2022. Combined ratio for own account was 88,9%. The company's SCR ratio calculated using standard formula including volatility adjustment was 195 %. NOK 6 dividend per share, TNOK 494 271 in total, is subtracted from available solvency capital in calculation of SCR ratio. Eligible solvency capital was TNOK 5 093 042 compared to TNOK 4 294 241 at the end of 2021. Earnings in 2022 and change in discounting rates have contributed positively. Dividend reduced the growth in solvency capital. Solvency capital requirement was TNOK 2 612 459 compared to TNOK 2 081 068 previous year. Increase in capital requirement is driven by company's growth and changes in investments portfolio.

The underlying profitability is good and with continued profitability measures to counteract claims inflation, the technical result is expected to remain at a good level.

Protector Forsikring works continuously with risk management systems in the company. Established processes and reporting systems ensure that Protector's risk management system is adequately organized and that the company's risk profile is followed up on a regular basis.

A. Business and Performance

A.1 Business

Protector Forsikring ASA, org. nr. 985279721, business address Støperigata 2, 0250 Oslo, Norge, is a general insurance company organized as a public limited liability company and listed on the Oslo Stock Exchange. The company operates in Norway, Sweden, Denmark, UK and Finland.

This report is presented in TNOK, which is the company's reporting currency unless otherwise stated.

Name and contacts of the company's public supervisory authority

Name: The Norwegian Supervisory Authority

Business address: Revierstredet 3, 0151 Oslo, Norway

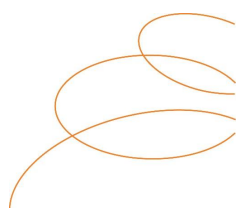
Phone: 22 93 98 00

Company's external auditor

Name: Ernst & Young AS

Business address: Dronning Eufemias street 6A, 0191 Oslo, Norway

Phone: 91 66 90 00



A.2 Underwriting performance

The company's growth in gross written premium was 19 % (21 % in local currency) in 2022. UK contributed with 8,4 percentage points. Growth in the Nordics was driven by Sweden (4,2 percentage point) followed by Norway (3,3 percentage points), and Denmark (2,7 percentage points). Gross combined ratio was 89,2 % in 2022 compared to 88,5 % in 2021. Combined ratio for own account was 88,9 % (87,3 % in 2021). The technical result is driven by strong results in Norway, Sweden, and UK, but Denmark and Finland also contribute.

Claims ratio for own account was 79,3 %, up from 77,4 % in 2021. The large loss rate was somewhat lower than normal, Covid-19 pandemic had no measurable effect in 2022. The company had run-off gains of 2,3 % in 2022 compared to 0,3 % run-off losses in 2021.

Table 1 shows results per geographic area.

For more information about the company's results and development, please see Protector's annual report for 2022 which is available at the company's home page www.protectorforsikring.no.

Table 1 Geographic distribution of the company's results

[1.000 NOK]	Norge ²		Sverige		Danmark		UK		Finland		Totalt	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Gross premiums written ¹	1 610 121	1 415 046	2 072 621	1 820 477	1 077 187	918 677	2 115 676	1 618 145	222 177	178 227	7 097 782	5 950 571
Gross premiums earned	1 578 766	1 398 303	1 942 060	1 749 251	1 038 309	880 189	1 770 808	1 460 516	211 092	257 817	6 541 036	5 746 076
Gross claims incurred	(1 335 143)	(1 088 567)	(1 410 609)	(1 038 146)	(970 797)	(904 643)	(1 284 873)	(1 237 627)	(182 770)	(199 414)	(5 184 191)	(4 468 397)
Earned premiums, net of reinsurance	1 434 441	1 245 353	1 730 095	1 512 322	929 937	761 435	1 427 074	1 170 932	193 048	230 694	5 714 595	4 920 737
Other insurance-related income	4 270	3 978	359	367	136	532	5 635	2 183	1 456	1 656	11 856	8 716
Claims incurred, net of reinsurance	(1 201 203)	(1 021 827)	(1 298 162)	(949 203)	(807 927)	(631 268)	(1 059 557)	(1 027 591)	(167 159)	(180 174)	(4 534 008)	(3 810 063)
Sales cost	(45 723)	(56 598)	(160 715)	(138 470)	(26 549)	(26 990)	(148 264)	(135 456)	(5 337)	(4 151)	(386 588)	(361 665)
Administration cost	(52 879)	(49 020)	(81 653)	(75 851)	(46 287)	(46 935)	(75 981)	(74 629)	(5 965)	(10 179)	(262 765)	(256 615)
Commission from reinsurance	19 657	16 501	36 684	59 961	9 614	21 061	33 814	28 107	1 891	5 071	101 659	130 701
Other insurance-related expenses	(13 451)	(14 868)	(780)	788	(22 384)	(13 816)	(5 528)	(8 386)	(3 005)	(1 129)	(45 150)	(37 410)
Technical result	145 112	123 519	225 827	409 916	36 539	64 020	177 194	(44 841)	14 928	41 787	599 599	594 401
Other income/cost	(64 794)	(57 680)	(569)	(788)	236	27	633	2 084	(96)	(31)	(64 590)	(56 388)
Net financial income	437 335	758 345	16 999	98 894	(11 382)	(1 430)	39 708	6 365	(5 666)	16 151	476 993	878 325
Profit before tax	517 652	824 184	242 258	508 021	25 392	62 618	217 535	(36 392)	9 166	57 906	1 012 002	1 416 338
Claims ratio, net of ceded business ¹	83,7 %	82,1 %	75,0 %	62,8 %	86,9 %	82,9 %	74,2 %	87,8 %	86,6 %	78,1 %	79,3 %	77,4 %
Expense ratio, net of ceded business ¹	5,5 %	7,2 %	11,9 %	10,2 %	6,8 %	6,9 %	13,3 %	15,5 %	4,9 %	4,0 %	9,6 %	9,9 %
Combined ratio, net of ceded business¹	89,2 %	89,2 %	86,9 %	73,0 %	93,7 %	89,8 %	87,6 %	103,3 %	91,5 %	82,1 %	88,9 %	87,3 %
Gross claims ratio ¹	84,6 %	77,8 %	72,6 %	59,3 %	93,5 %	102,8 %	72,6 %	84,7 %	86,6 %	77,3 %	79,3 %	77,8 %
Gross expense ratio ¹	6,2 %	7,6 %	12,5 %	12,3 %	7,0 %	8,4 %	12,7 %	14,4 %	5,4 %	5,6 %	9,9 %	10,8 %
Gross combined ratio¹	90,8 %	85,4 %	85,1 %	71,6 %	100,5 %	111,2 %	85,2 %	99,1 %	91,9 %	82,9 %	89,2 %	88,5 %

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

² Does not include discontinued operations (change of ownership)

The company's underwriting results in 2022 and 2021 are presented in Table 2 and Table 3 below.

Table 2 The company's 2022 results per line of business

	General insurance									Life insurance	Total
	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	Group life	
Premium income^{1,2}											
Premiums written	215 856	140 586	347 492	792 758	1 631 284	15 675	2 940 135	641 643	1 580	370 773	7 097 782
Premiums written ceded	-34 292	-14 359	-27 861	-95 694	-118 072	-1 233	-413 945	-123 462	-128	-37 997	-867 043
Premiums written for own account	181 564	126 227	319 632	697 063	1 513 212	14 442	2 526 190	518 181	1 452	332 775	6 230 739
Premium earned											
Gross premiums earned	203 890	138 955	340 703	759 741	1 475 902	15 413	2 670 412	572 816	1 599	361 606	6 541 036
Reinsurers' share of gross premiums earned	-25 013	-12 572	-27 861	-95 694	-118 072	-1 233	-389 342	-123 020	-128	-33 507	-826 441
Premiums earned for own account	178 878	126 383	312 842	664 046	1 357 830	14 180	2 281 070	449 797	1 472	328 098	5 714 595
Gross claims incurred											
Occurred this year	184 409	132 005	321 705	722 568	1 039 107	6 996	1 949 845	464 156	1 437	312 168	5 134 396
Occurred previous years	-50 568	16 709	189 692	28 407	-25 018	-1 898	-138 082	45 260	-504	-14 202	49 796
Total for the accounting year	133 841	148 714	511 397	750 975	1 014 089	5 097	1 811 762	509 417	932	297 967	5 184 191
Claims incurred for own account											
Gross claims	133 841	148 714	511 397	750 975	1 014 089	5 097	1 811 762	509 417	932	297 967	5 184 191
Reinsurers' share of gross claims	-13 328	-15 771	-154 419	-100 069	-86 602	-408	-143 077	-109 249	-75	-27 186	-650 183
Total claims for own account	120 513	132 943	356 978	650 906	927 487	4 690	1 668 686	400 167	858	270 781	4 534 008

¹ Premium income is related to insurance in Norway, Sweden, Denmark, Finland, and the UK. See Table 1 for segment information.

² Defined as alternative performance measures (APM). APMs are described on www.protectorforsikring.no in the document APMs Protector Forsikring 2022

Table 3 The company's 2021 results per line of business

	General insurance									Life insurance	Total
	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	Group life	
Premium income^{1,2}											
Premiums written	191 850	133 044	321 103	796 692	1 284 936	16 118	2 347 274	533 234	1 835	324 484	5 950 571
Premiums written ceded	-18 104	-13 405	-41 209	-101 514	-123 724	-1 561	-387 105	-105 759	-179	-32 656	-825 217
Premiums written for own account	173 746	119 639	279 894	695 178	1 161 212	14 557	1 960 169	427 475	1 656	291 828	5 125 354
Premium earned											
Gross premiums earned	189 866	134 054	402 972	738 336	1 237 243	15 611	2 210 048	495 910	1 792	320 244	5 746 076
Reinsurers' share of gross premiums earned	-18 104	-13 405	-41 209	-101 514	-123 724	-1 561	-385 790	-107 195	-179	-32 656	-825 339
Premiums earned for own account	171 762	120 649	361 763	636 822	1 113 518	14 050	1 824 258	388 715	1 613	287 588	4 920 737
Gross claims incurred											
Occurred this year	174 783	144 809	316 250	830 255	755 438	7 249	1 345 749	426 195	592	300 446	4 301 766
Occurred previous years	28 040	27 315	172 944	187 446	-191 802	-6 310	-197 011	145 192	-433	1 250	166 631
Total for the accounting year	202 823	172 123	489 194	1 017 701	563 636	940	1 148 739	571 386	158	301 696	4 468 397
Claims incurred for own account											
Gross claims	202 823	172 123	489 194	1 017 701	563 636	940	1 148 739	571 386	158	301 696	4 468 397
Reinsurers' share of gross claims	-19 796	-25 623	-127 028	-147 358	-54 818	-93	-112 382	-142 107	-16	-29 113	-658 334
Total claims for own account	183 026	146 500	362 167	870 343	508 818	846	1 036 357	429 280	142	272 583	3 810 063

¹ Premium income is related to insurance in Norway, Sweden, Denmark, Finland, and the UK. See Table 1 for segment information.

² Defined as alternative performance measures (APM). APMs are described on www.protectorforsikring.no in the document APMs Protector Forsikring 2022

A.3 Investment performance

The company's net investment results per asset class is presented in Table 4.

Table 4 Investment result per asset class

Investment portfolio	2022	2021
Avg. investment portfolio	14 680 379	13 971 156
Equities	2 377 453	1 719 975
Bonds	12 302 925	12 251 182
Share equities	16 %	12 %
Share bonds	84 %	88 %
Result equities	13,9%	38,9%
Result bonds	1,4%	2,3%
Return equities	329 781	669 476
Return bonds	170 793	285 057
Investment result, net	500 575	954 534
Return, net	3,4%	6,8%

Average share invested in equities was 16 % (excluding hedging instruments) compared to 12 % in 2021. Protector's investments in equities comprised mainly investments in companies listed on stock exchange in Sweden, Denmark, and Ireland. Net return on equity investment was 13,9 % in 2022. Return on equities excluding put options was 15,7 %. Return on equities was impacted by strong underlying development in and repricing of the investees during the year. Return on the total bond portfolio of 1,4 % was positively impacted by interest rate payments and low losses and negatively impacted by increase in interest rate rates. Portfolio's direct exposure to Ukraine/Russia has been very limited.

Total credit risk in the bond portfolio is valued at A- at the end of 2022. Administration costs related to investments amounted to TNOK 36 006. Total investment result was 3,4 % compared to 6,8 % in 2021.

The company's investment portfolio is accounted for at fair value through profit and loss, and the company had no gains or losses taken directly in shareholders' capital in 2022.

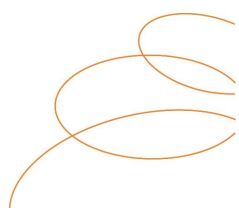
For more information about the company's investment result, please see Protector's annual report for 2022 which is available at the company's home page www.protectorforsikring.no.

A.4 Performance of other activities

The company had no significant income or expenses from other activities.

A.5 Any other information

All significant information about Protector's operations and results is deemed provided above.

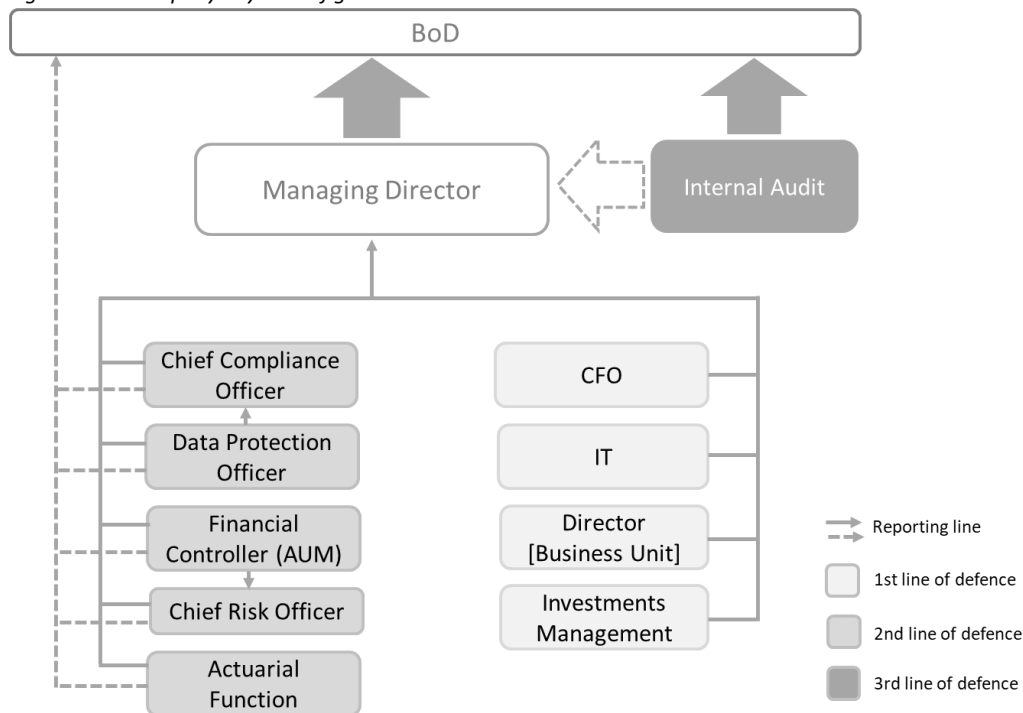


B. System of Governance

B.1 General information on the system of governance

The company's overall system of governance is presented in Figure 1.

Figure 1 The company's system of governance



The figure presents an overview of key functions and reporting lines in the company. All risk management and control functions report directly to the managing director with the exception of internal audit which reports directly to the Board of Directors. Chief Compliance Officer, Chief Risk Officer and actuarial function has right and duty to report directly to the Board of Directors in special cases. Second line functions are administratively organized under CFO. The company's Data Protection Officer has right and duty to report to the Board of Directors directly in special cases. Financial Controller reports to the managing director and the Board of Directors.

The Board of Directors has the ultimate responsibility for the company having established appropriate and effective processes for risk management and internal control. The Board of Directors shall ensure that these processes are adequately established, implemented, and followed up.

Through establishment of the company's goals, strategies, and risk appetite the Board of Directors define framework for types and extent of risks the company can be exposed to. The Board of Directors shall at least annually ensure that significant risks are continually identified, assessed, and managed in a systematic way, and that the risks are acceptable and within defined framework. The above is ensured through internal control and ORSA processes. The company's Board of Directors has Audit and Risk sub-committees. The sub-committees support the Board of Directors in execution of its responsibilities for the company's total risk management and control.

Managing director ensures that risk management and internal control in Protector Forsikring is carried out, documented, monitored and followed up in a satisfactory way. The managing director defines for this purpose descriptions and guidelines for how the company's risk management and internal control shall be implemented in practice as well as establishes adequate control functions and processes.

The managing director follows up continuously changes in the company's risk exposure and informs the Board of Directors about significant changes. The managing director ensures that the company's risks are secured or in compliance with the Board of Directors' guidelines and ensures that leaders for all the significant business areas follow up implementation of internal control.

All leaders are responsible for that risk management and internal control within own area of responsibility is sufficient. This entails:

- Having overview of all significant risks within own area of responsibility at all times,
- Following up implementation of and compliance with corresponding control measures,
- Adjusting general requirement for risk management and control to type, extent and complexity within own area, hereunder assessing need for more detailed instructions or guidelines.

Leaders shall be able to substantiate that adequate control of risks is established and functions. Leaders for significant business areas carry out and document an annual risk assessment according to the company's requirements as well as follow up earlier control measures.

Risk management function in the company is responsible for monitoring the company's risk management system and for having an overview of the risks the company is or can be exposed to. Chief Risk Officer ensures that the company's management and the Board of Directors are adequately informed about the company's risk profile at all times and that it is within the company's risk appetite. Risk management function is responsible for the managing director and the Board of Directors receiving relevant and timely information about implementation of the company's risk management. Risk management function shall ensure that risk assessment is carried out for significant changes in the company's risk profile. Risk management function facilitates annual ORSA process.

Information about compliance, internal audit and actuarial functions is provided in chapters B.4 Internal control system, B.5 Internal audit function and B.6 Actuarial function.

Figure 2 on next page shows interaction between the key Solvency II functions.

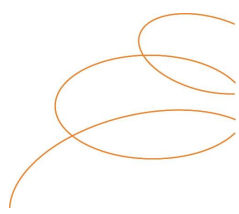
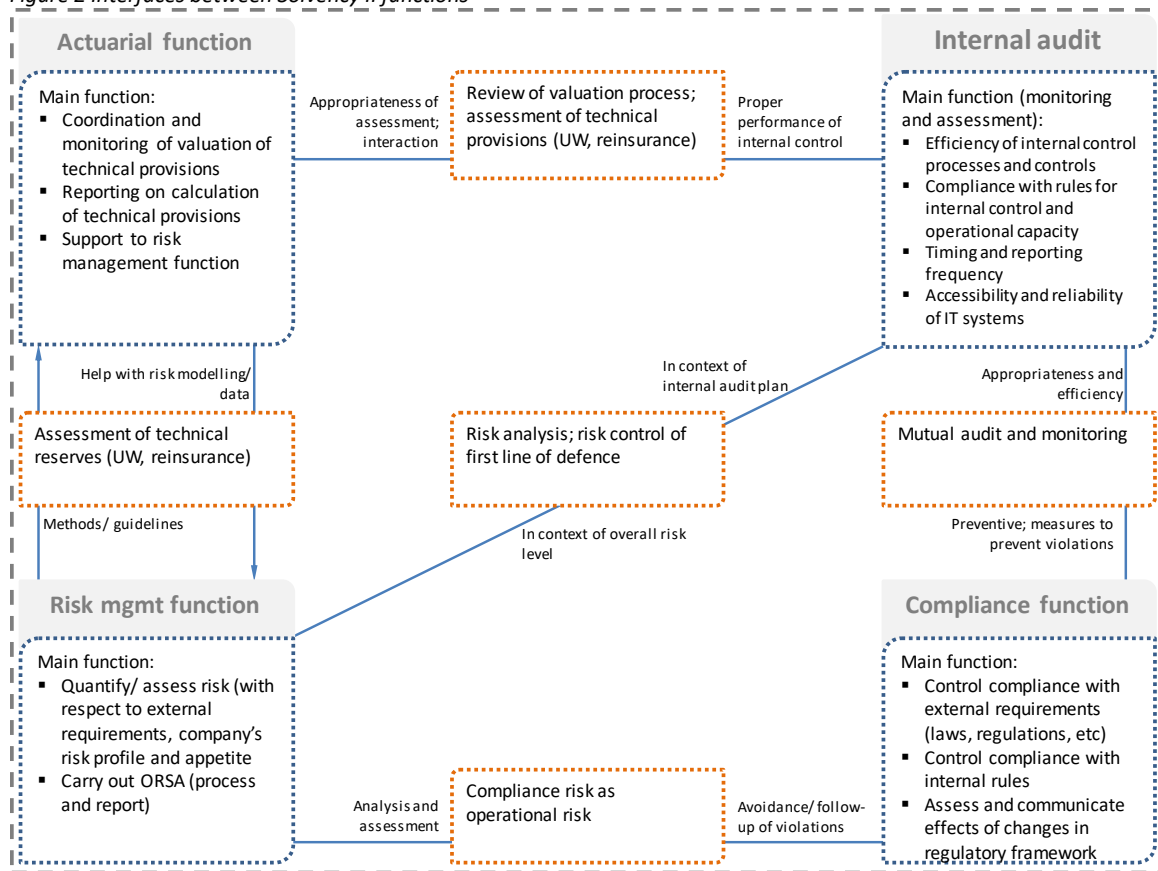


Figure 2 Interfaces between Solvency II functions

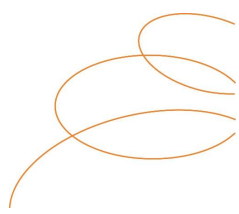


Protector Forsikring works continuously with the risk management systems in the company.

Remuneration. The company has established guidelines for determination of salary and other remuneration to employees which shall contribute to the company’s business strategy, long-term interests and financial sustainability by attracting, motivating and maintaining the most skilled employees at all levels; promoting and giving incentives to good risk management; promoting desired company culture; ensuring openness about Protector’s remuneration policy. The total remuneration to employees can constitute of fixed salary, variable salary, pension, and fringe benefits.

Fixed salary is the main element is the total remuneration and is determined based in criteria such as nature of the position, competence, individual performance, and personal suitability. The fixed salary is reviewed annually and determined on the basis of wage growth in society in general and in the financial industry in particular.

The goal of the company’s variable remuneration (bonus schemes) is to support the company’s business strategy and promote good results for the company but not at the cost of management and control of the company’s risk. Award of bonus depends on the assessment of participant’s result and performance based on a total assessment of financial and non-financial targets derived from the company’s strategy and goals. Variable remuneration to employees with control functions shall be independent of results in business areas they control.



The company has established a long-term bonus scheme to senior executives and key personnel. Bonus awarded to participants in the company's long-term bonus scheme is converted to synthetic shares based on Protector's share price per 31 December and paid out over a 5-year period. Other employees can, under certain conditions, participate in an ordinary bonus scheme. Awarded bonus in this scheme is paid out in a year following the earning year. Employees who are included in the bonus schemes shall not use personal hedging strategies or insurance against lapse or reduction of the bonus.

Pension arrangements in Protector shall be competitive and in line with practice in the market. As a rule, the company shall use obligatory defined contribution pension plans in a life insurance company.

Any fringe benefits shall have connection to one's functions in the company and otherwise be in line with general practice in the market. No separate schemes are established for senior executives.

Protector publishes guidelines for remuneration and remuneration report (for senior executives) at www.protectorforsikring.no.

B.2 Fit and proper requirements

The company has established a policy for fit and proper assessment in order to ensure that key personnel, including members of administration, the Board of Directors and senior management have adequate qualifications, knowledge and relevant experience for managing the company in a prudent way.

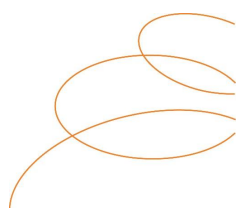
Fitness is assessed based on relevant professional qualifications in addition to relevant information about personal conduct in order to ensure that the position will be fulfilled in a prudent manner. Professional and formal qualifications, knowledge and relevant experience within insurance, finance, law or other business is the basis for the assessment of competence. Assessment includes, when relevant, skill within economy, accounting, insurance mathematics as well as managerial skills.

Education and personal traits as well as competence and experience requirements for key functions are specified in relevant position descriptions and guidelines. In recruitment process potential candidates are assessed against requirements for competence and experience before decision is taken. In cases of new information indicating need for a renewed assessment, changes in regulatory framework, new requirements for corporate governance, changes in key functions or changes in the composition of the Board of Directors, Protector Forsikring will carry out new fit and proper assessments. Regardless, the company will regularly review need for new fit and proper assessment even if persons are the same.

Fit and proper assessment of leading persons is carried by the Financial Supervisory Authority.

B.3 Risk management system including the own risk and solvency assessment

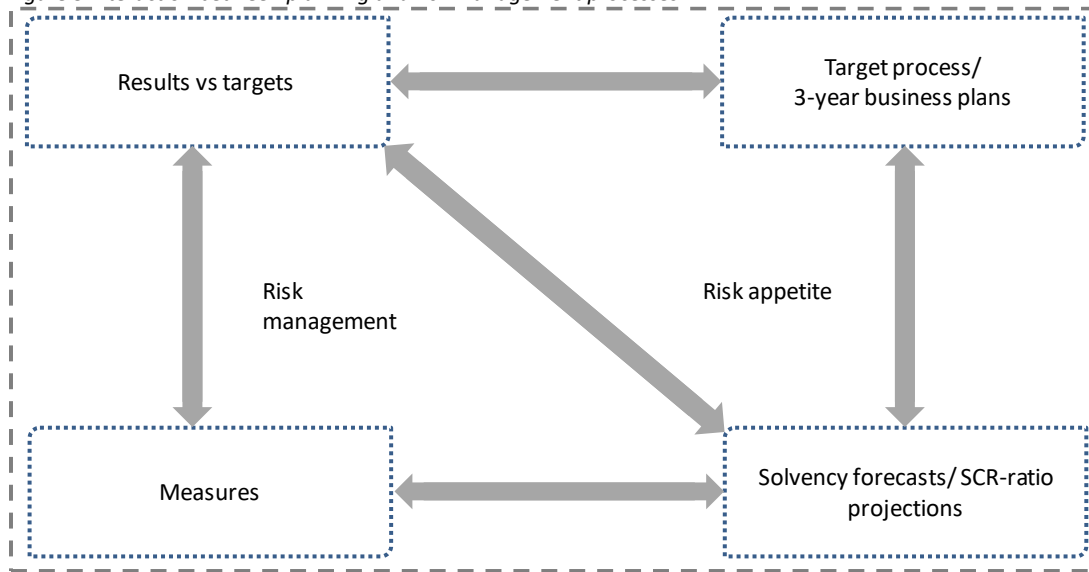
Protector Forsikring has risk management policy in accordance with current regulatory framework for insurance companies and Solvency II requirements.



The company's risk appetite is set by the Board of Directors and forms the basis for risk monitoring and management in the company. The Board of Directors approves framework for market, insurance, operational and compliance, business as well as counterparty risks. Risk appetite defines either lower or upper limit as well as ranges, or any other definition of risk exposure which is accepted by the Board of Directors in order to achieve the company's strategic goals.

Figure 3 provides an overview of interaction between planning and risk management processes in the company.

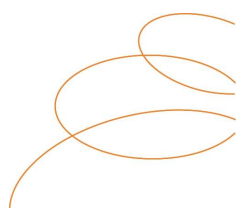
Figure 3 Interaction between planning and risk management processes



Separate policies and/ or strategy documents are established for different types of risks which are a part of the total corporate governance in the company.

In order to ensure that the company's corporate governance system is organized in an adequate way and that the company's risk profile is within the approved limits, Protector Forsikring has established various processes and reporting systems.

Own risk and solvency assessment (ORSA) is a continuous process. Quarterly risk reports summarizing exposure to main risk with respect to the defined limits are prepared on a quarterly basis. The Board of Directors, together with the management, carries out the company's strategy process at least annually. Based on the strategy process the company prepares different scenarios which forecast probable development of result and capital as well as risk exposure. The company estimates the necessary shareholders capital to cover risk exposure as well as its capacity to fulfil its obligations related to insurance contracts based on this view of risks. The company also assess how well standard formula reflects the company's risk profile and how capital requirement calculated using standard model compares with the company's own assessment of capital requirement. At least annually Protector Forsikring prepares ORSA report in accordance with the company's ORSA policy which is reviewed by the Board of Directors.



B.4 Internal control system

Protector Forsikring has prepared policy and guidelines for operational and compliance risk. Compliance function is an independent control function. Compliance function carries out own controls, monitors laws and regulations and reports to the Board and senior management about significant risks in operations. Compliance contributes to lower compliance risk through support in implementation of laws and regulations, and through following up the company's compliance. Compliance function is the company's whistle-blowing institution and is responsible for investigating any irregularities or fraud.

All business areas have appointed compliance-responsible who assist compliance function in its work.

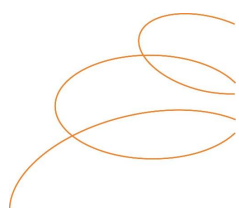
The company's Data Protection Officer strengthens the operations' capability to comply with General Data Protection Act.

In accordance with policy and guidelines for operational and compliance risk internal control in the company is carried out according to the annual plan for internal control. The company's internal control is based on identifying operational events which can prevent achievement of goals and these are placed into risk groups based on probable frequency and consequence. Internal control system implies that a complete revision of each business area and administrative units is carried out annually. Timing of completion is coordinated with the audit of the company by the external auditor and occurs in autumn. It is the responsible for each business area who presents the results of the current year's analysis in a form of an updated risk matrix and a verification to the managing director. This verification shall also include an assessment of the last year's planned measures with respect to implementation and realized effect. This process is initiated, managed and coordinated by the company's Chief Compliance Officer who also provides the necessary information to the managing director's verification of the internal control to the Board of Directors as a part of area of responsibility described in the job description for the company's chief compliance officer.

B.5 Internal audit function

Internal audit function is an independent, objective function for verification and advising and carries out only internal audit in the company, i.e. does not carry out or is not responsible for daily operations. The company has outsourced internal audit function. The agreement with the internal audit function is based on market price.

The internal audit conducts its activities independently and objectively in accordance with acknowledged standards for internal audit and reports directly to the Board. Work of the internal audit is based on a Board-approved, risk-based annual plan which takes into account type, extent and complexity of business activities as well as established internal control. Changes in the company's risk situation and development in demanding business initiatives may lead to need for revision of the internal audit's annual plan. At least once a year the internal audit function reports to the Board of Directors and the managing director about the company's risk management and control.



B.6 Actuarial function

Actuarial function is carried out in accordance with the Article 272 through continuous dialog with the company's actuary in order to follow up data quality, development of premiums and claims in various lines of business and insurance markets that the company is exposed to. The actuarial function gives feedback to control activities in order to ensure that the underlying data for estimating technical provisions is complete, accurate and appropriate. The actuarial function carries out control activities which ensure that the underlying data used for calculation of the technical provisions is satisfactory, and that estimated technical provisions correspond to the amounts in the financial accounts. The actuarial function contributes as discussions partner to the choice of models and assumptions underlying estimation of the technical provisions within various lines of business and insurance markets that the company is exposed to. In connection to the quarterly estimation of the technical provisions underlying data and results are exchanged between the company's actuary and the actuarial function. The actuarial function gives feedback on results of the calculations carried out by the company's actuary and, in cases where assessment deviates, assumptions and choice of models are discussed, and final results are based on assumptions and model choices that both the company's actuary and the actuarial function find appropriate. The actuarial function ensures that the technical provisions are sufficient. Reports describing underlying data, assumptions and results of calculation of the technical provisions are prepared quarterly. The report includes process and results assessment by both the company's actuary and the actuarial function. The actuarial function prepares a more extensive report in connection with annual reporting which shall cover all areas of responsibilities covered by the actuarial function in accordance with Article 272.

B.7 Outsourcing

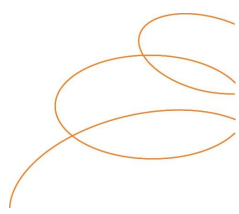
Protector Forsikring has prepared policy and guidelines for outsourcing which defines extent, areas of responsibility, monitoring and reporting in case of outsourcing of business activities. It is not allowed to outsource core business. Core business means product development and work related to take over and underwriting of insurance risk.

The company is fully responsible for all part of the outsourced business and shall have competence and resources to assess risk related to the outsourced business activities itself at all times.

Following principles underlie assessment and any implementation of outsourcing in the company:

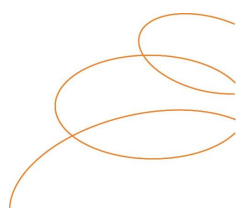
- Outsourcing shall be prudent, and relevant information for analysis and assessment shall be gathered before final decision.
- Public requirements and external regulations which the company has to satisfy shall be ensured also when outsourcing.
- Outsourcing shall contribute to providing the company with access to cost-efficient and qualitatively good services, products and distribution channels.
- Outsourcing shall occur in a way that gives the company flexibility with respect to changes in its outsourcing strategy.

The company has outsourced the internal audit to KPMG and the actuarial function to Zabler-Neuhaus AS. Both suppliers are located in Norway.



B.8 Any other information

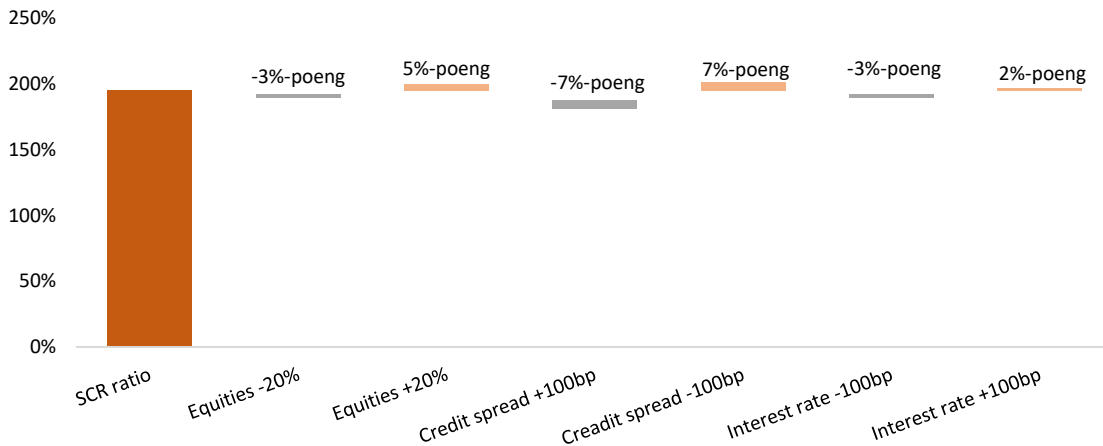
Protector Forsikring's assessment is that the company's risk management and internal control system is appropriate with respect to types, extent and complexity of the risks related to the company's business.



C. Risk Profile

Protector Forsikring is exposed to insurance, market, credit and counterparty, liquidity and operational risks (se chapter E.2 Solvency Capital Requirement and Minimum Capital Requirement for relevant risks). These risks are monitored continuously. Table below shows SCR ratio sensitivities to changes in the market value of investments in equities, credit spread and interest rate levels.

Figure 4 SCR ratio sensitivities



The company carries out stress test analysis as a part of ORSA process. Choice of factors for stress test scenarios is risk-based with the company's 3-year business plans and focus areas as a starting point. Scenarios are compared to estimated capital requirement and estimated available capital based on a set of basic assumptions which correspond to the company's 3-year business plans. Methods used for stress testing are based on an assumption that it is only the defined assumptions that are stressed in concrete scenarios which are changed while all other assumptions remain constant. Total results are summarized and processed by the Board of Directors at least once a year in connection with submission of ORSA report.

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.

Assessment of physical risk and consequences is carried out along the following dimensions:

- Type of risk:
 - Physical (as defined above):
 - Acute; risk arising from particular events, especially weather-related events such as storms, floods, fires or heatwaves that may damage production facilities and disrupt value chains;
 - Chronic; risk arising from longer-term changes in the climate, such as temperature changes, rising sea levels, reduced water availability, biodiversity, loss and changes in land and soil productivity.
 - Transition (as defined above)
 - Liability; risk arising from businesses or individuals seeking compensation for losses they may have suffered from the physical or transition risks from climate change
- Risk area:
 - UW (insurance); per type of product if higher detail level is assessed to provide a better risk profile
 - Market (investments portfolio)
 - Credit/ counterparty
 - Operational/ Reputational/ Strategic risk
- Time horizon:
 - Short-term; current to three years;
 - Medium-term; four to ten years;
 - Long-term; over ten years.

From a business perspective, a ten-year period is a long-term horizon. Assessment of risks beyond 10-year is a part of ORSA process and reporting.

Table 5 on the next page presents the assessment of the potential climate-related risks sorted by estimated consequence (largest to smallest) and time horizon (shortest to longest).

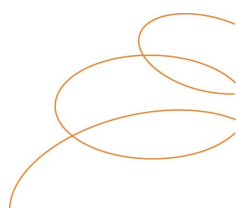
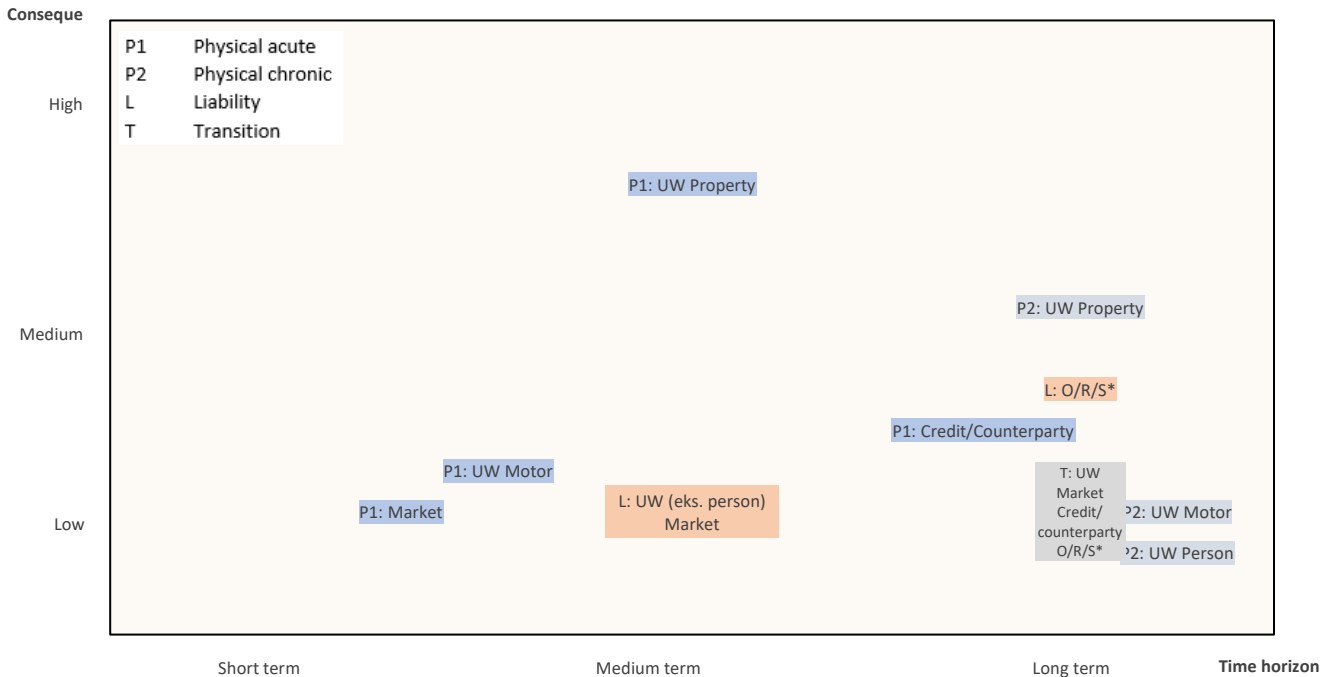


Table 5 Assessment of potential consequences related to climate change

Type of risk	Risk area	Sub-type	Time horizon	Assessment
Physical	UW; Property	Acute	Medium	Product exposed to the risk of large losses (flood, windstorm). Given that majority of insurance contracts are renewed annually (opportunity for re-pricing), risk is estimated to peak in the medium run, before risk-reducing measures, e.g. new building standards are more wide-spread and start reducing potential consequences.
Physical	UW; Property	Chronic	Medium to long	Climate changes can lead to permanent changes in risk profile. Risk profile lower than acute UW Property risk due to implemented risk reducing measures, but a permanent increase from existing level. Price of reinsurance cover may increase due to reinsurers shielding own profitability.
Liability	Operational/ Reputational/ Strategic	NA	Medium to long	Increased litigation level can lead to increased investments in business to adjust operating model and mitigate negative effects on reputation. However, litigation practice in the branch would require time to develop thus enabling to observe the trend and implement the necessary adjustments to the operating model in a gradual manner. Exposure to potential consequences of physical risk through UW.
Physical	Credit/ Counterparty	Acute	Medium to long	Changes in climate could lead to an increase in large loss frequency. While in the short time reinsurers would have the capacity to absorb the losses in the branch, losses accumulated over time could have a negative effect even on A- or better rated reinsurers' capacity to absorb further losses and/ or willingness to provide cover at unchanged terms and conditions.
Physical	UW; Motor	Acute	Short to medium	Portfolio is exposed to regions forecasted to experience milder weather. While in the long term a decreased exposure to icy and snowy driving conditions is estimated to have neutral to positive effect on claims frequency, in the short term any changes in driving conditions would require an adjustment in driving skills/ behaviour, i.e. could lead to a temporary increase in claims frequency.
Physical	Market	Acute	Short	Investments portfolio is proactively underwritten and has a limited direct exposure to acute physical risk. Underwriting model would be updated for any new factors based on observed trends and would result in exclusion of vulnerable investments.
Liability	UW; ex personal	NA	Medium	It would take time to develop litigation practice in the branch. This combined with annual insurance contracts that Protector underwrites would provide with an opportunity to adjust insurance price and/ or insurance terms and coverage.
Liability	Market	NA	Medium	Investments portfolio is proactively underwritten using underwriting model. Underwriting model would be updated for any new factors based on observed trends and would result in exclusion of vulnerable investments. It assumed that liability risk would take longer time to materialize compared to physical risk.
Transitional	UW, market, credit/ counterparty, Operational/ Reputational/ Strategic	NA	Medium to long	Scenario 8,5 assumes no major large changes in regulatory requirements, therefore total transitional risk is assessed to be low.
Physical	UW, Motor	Chronic	Long	Climate changes can lead to permanent changes in risk profile. While adjustment in driving skills/ behaviour due to milder weather (see acute Motor risk) mitigates risk, inherent risk could remain at higher level compared to today's levels, e.g. car parks being washed away by floods due to increase in rainfall.
Physical	Personal	NA	Long	Physical risk in this scenario is understood as risk for increased harm to health (e.g. illness) other than direct damage from weather-related events. The potential risk is assessed to take long time to materialize with low consequence. Pandemic risk excluded from cover unless regulated by law.

Graphical summary of potential climate-related risks is provided in Figure 5.

Figure 5 Assessment of potential consequences related to climate change



* Operational/Reputational/Strategic risk

Climate-related activities is a part of the company's ESG strategy.

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

The company evaluates portfolio's climate risk on a quarterly basis and takes this into account through reinsurance. Protector uses recognized tools and methods such as AIR and RMS in our climate risk evaluation. The company's reinsurance now covers an estimated 1-in-10 000-year event.

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

The most effective climate-related measure for a non-life insurance company is to prevent damage for occurring. Loss prevention is central to Protector and the company's commitment to climate efficiency. Protector conducts inspections before giving prospective customers a quote, current customers are inspected and post-loss investigations are undertaken to help reduce the likelihood of

repeat losses. Customers receive case-specific bespoke risk management proposals to address any concerns identified. As a part of continuous development, the company develops systems to further improve data quality. More precise exposure and damage data allow the company to capture trends in damage picture earlier both at aggregated level and per customer, and Protector can implement targeted loss prevention measures quicker.

The company has identified the greatest potential reduction in its climate footprint in property and auto, and works closely with its suppliers to increase share of reuse and recycling in reparations, as well as increase usage of climate-friendly materials and processes in reconstruction. Within property, approximately 80 % of our claims payments are larger than TNOK 1 000. Protector Forsikring is therefore dedicated to using independent and skilful claims appraisers not only for claims appraisal but also for following up that reparations and construction of new buildings are carried out in accordance with all mandatory regulations, including EHS and climate-directed restrictions.

Responsible investments is an integrated part of the company's investment strategy. Investment guidelines define exclusions from investment universe based on business type and/ or business actions, and Protector Forsikring shall among other things not invest in companies responsible for or contribute to serious environmental damage.

For more information about the company's work related to climate and climate change, please see Protector Forsikring's sustainability report for 2022 which is available at the company's home page www.protectorforsikring.no.

C.1 Underwriting risk

Underwriting risk represents the risk directly related to the insurance business. This includes the risk that premium payments will not sufficiently cover future claims and related costs, and the risk that reserves will not be sufficient to cover costs related to claims already incurred. Additionally, it includes the risk of extraordinary events like catastrophe scenarios and lapse risk.

The company assesses underwriting risk individually through underwriting process before an agreement with a customer is concluded. Continuous follow-up of development in profitability is carried out, including calculation and assessment of technical provisions.

Assessment of catastrophe risk is an important part of the company's risk management. The company's exposure to large risks is assessed against current reinsurance program in order to ensure that exposure to catastrophe risk is within defined framework.

Lapse risk is assessed not to be a significant risk for the company as the company underwrites insurance of business and public customers. The agreements are normally termed contracts, running until maturity unless extraordinary circumstances arise giving right to terminate contracts prematurely.

The company does not underwrite life insurance (with the exception of one-year risk products), but a part of claims reserves is annuities reserves related to health and non-life insurance products. Annuities reserves are classified in a module for life insurance and health insurance similar to life.

All business areas are reviewed on a regular basis according to internal reporting routines. Profitability within different lines of business and segments is assessed, and measures are implemented if certain lines of business/ segments are assessed not to contribute with adequate expected future profitability.

Courses and training in claims-reducing measures are carried out by the company's initiative. The company uses reinsurance largely to reduce risk. Reinsurance is used primarily within liens of business which are estimated to be most exposed to large claims. There are reinsurance agreements in place for all lines of business, limiting loss potential for catastrophic scenarios. Assessment of adequacy of the company's reinsurance programs is carried out at least annually.

The company is exposed to natural catastrophe events in Norway proportional to the company's market share of fire insurance amounts. The company's geographical concentration of exposure in Norway has therefore little significance for the company's natural catastrophe risk. The company participates in the reinsurance program of the Norwegian Natural Perils Pool.

The company also ensures that assets are sufficient to cover liabilities at all times. The company utilizes interest rate swaps for management of exposure to interest rate risk. It is not desirable to expose insurance liabilities to unnecessary currency risk, therefore investments portfolio is calibrated on a quarterly basis.

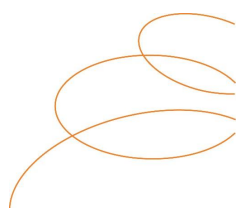
Solvency capital requirement for insurance risk was TNOK 2 743 257 per 31.12.2022 whereof capital requirement for non-life underwriting risk was TNOK 2 070 127, for health underwriting risk was TNOK 672 273 and for life underwriting risk was TNOK 767. Underwriting risk is primarily distributed between premium and reserves risk as well as catastrophe and lapse risk.

C.2 Market risk

Protector Forsikring is exposed to market risk: risk of loss in the market value of investment portfolio as a result of fluctuations in share prices, interests, credit spreads, exchange rates, property prices, prices of commodities and energy, and changes in technical provisions as a result of change in interest rates.

Protector Forsikring manages its investment according to "prudent person" principles and within the quantitative framework defined in the investment management mandate approved by the Board of Directors. Requirements are defined among other things for exposure limits in the portfolio per assets class, individual issuers and rating. Investments portfolio is managed with respect to currency mix, and foreign exchange forwards are used for adjustment of currency mismatch between commitments and investment assets if needed.

Individual investments are analysed and assessed using defined criteria before investment decision is taken. Development in the market value and compliance with the quantitative requirements defined in the investments management mandate are monitored and reported on a regular basis. Capital requirement for market risk is calculated quarterly or in case of significant changes in risk profile.



Protector Forsikring utilizes put options in equities portfolio for further management of market risk related to the investments portfolio.

At the end of 2021 net investment portfolio totalled NOK 14,9 billion compared to NOK 14,3 billion a year ago. NOK 1,0 billion was invested in bond funds. The remaining portfolio was managed internally. Share of investments in equities was 17,9 % (including hedging instruments) of the total investment portfolio and interest-bearing investments constituted 82,1 %. Total credit risk in the portfolio is assessed at A- and unchanged since 2021.

Protector Forsikring's exposure to market risk comprised mainly exposure to equities, spread, currency, and interest rate risks per 31.12.2022. Total capital requirement for market risk was TNOK 1 379 139.

C.3 Credit risk

Credit risk is the risk of a rated counterparty defaulting on its commitments. Counterparty risk module covers exposure that is not covered in the spread risk module within market risk.

Protector Forsikring is exposed to counterparty risk mainly in connection to reinsurance and operating deposits. The company has a minimum rating requirement in order to reduce risk related to counterparty risk. In general, the company utilizes reinsurers with a solid rating from internationally acknowledged rating agencies. Before contracts are concluded reinsurers are assessed on an individual basis. The company's main bank has a solid rating from various acknowledged rating agencies. Ratings of the banks used are monitored continuously. Summary of the risk assessment in relation to the company's defined limits is reported on a regular basis.

Capital requirement for counterparty risk was TNOK 77 358 per 31.12.2022.

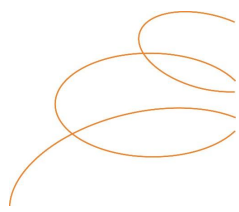
C.4 Liquidity risk

Liquidity risk is the risk that the company is unable to meet its running commitments and/or to finance changes in the allocation of assets without incurring substantial additional costs in the form of a price decrease of assets that need to be realized (sold) or in form of an extra expensive financing. Liquidity risk is normally limited in non-life insurance companies. Premium income is paid in advance, and claims are paid out at a later point of time.

Protector Forsikring has routines for the management of daily cash flows in order to manage and optimize liquidity. Liquidity management in a longer run is based on long-term strategic planning with respect to earnings, development of balance composition and solvency projections. The company manages its assets with respect to requirement for security, liquidity, and risk diversification.

In case of large claims pay-outs are settled with reinsurers continuously. Further the company has allocated a part of the investments in liquid assets with high quality which provides possibility to cover larger unplanned pay-outs. In order to manage liquidity in a longer run, the company has prepared a list of management actions to raise additional financing if needed.

Liquidity risk is not quantified in Solvency II calculations of capital requirement.



C.5 Operational risk

Operational risk is the risk of losses as a result of insufficient or failing internal processes or systems, human errors or external events.

All managers in the company have responsibility for identification and management of operational risk in their own area of responsibility. Main risk factors are identified, assessed and reported on a regular basis through established processes and procedures. Internal control report identifying main risks based on probability and consequence at company level is prepared at least annually based on internal control processes. With these processes and procedures as a starting point, risk-reducing measures are implemented if needed and followed up in connection with the established reporting routines. Significant deviations are registered in the deviations management database and are followed up on a regular basis.

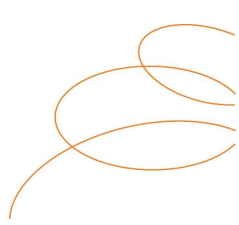
Solvency capital requirement calculated under Solvency II rules constituted TNOK 283 738 per 31.12.2022.

C.6 Other material risks

The company has not identified other significant quantifiable risks in 2022.

C.7 Any other information

All significant risks related to the company's business are deemed described above.



D. Valuation for Solvency Purposes

The company's Solvency II balance is valued at market value, ref Solvency II Directive 2009/138/EC article 75, 1(a) and (b) with respect to requirement for valuation of:

- technical provisions as specified in article 76-81;
- assets and liabilities other than technical provisions as specified in Delegated Regulation 2015/35, article 9-16.

Guarantee scheme for Solvency II reporting purposes is reported according to 19.06.2014 clarification from the Norwegian Financial Supervisory Authority.

The company's assessment is that statutory balance mainly consists of assets and liabilities accounted for at market value with exceptions as described below. Need to change valuation methods and need to take into account any clarifications and/ or feedback from the Norwegian Financial Supervisory Authority is assessed at every reporting.

D.1 Assets

Summary of the company's Solvency II balance compared to statutory balance is provided in Table 6.

Table 6 Overview of the company's assets in Solvency II and statutory balance per 31.12.2022

Assets	Solvency II	Statutory accounts
Total assets, whereof:	19 458 141	19 949 687
Intangible assets	0	99 040
Investments	14 965 590	14 965 590
Reinsurers' share of gross technical provisions	2 830 852	3 238 635
Other assets	1 661 700	1 646 421

The company's investment portfolio constituted the largest share (77%) of the company's total assets. Investments are accounted for at fair value in statutory accounts and transferred to Solvency II balance.

Reinsurers' share of the company's technical provisions constituted 15% of total assets. Solvency II value of reinsurers' share of technical provisions deviates from statutory values due to recalculation of these to market value by discounting and with respect to expected profit in future premiums, ref Solvency II Directive, Article 81. Reinsurers' share of gross technical provisions with volatility adjustment equal to zero is TNOK 2 848 708.

Other assets in Solvency II balance includes among other things own shares accounted for at market value. Market value of own shares was TNOK 15 279 per 31.12.2022.

Intangible assets have 0 Solvency II value, ref Delegated Regulation 2015/35, article 2, pct 2.

D.2 Technical provisions

Best estimate of claims provisions is equal to claims provisions for own account at valuation date as follows from «Best Estimate» valuation. In connection to Solvency II valuation of claims provisions, provisions are discounted on the basis of expected line of business-specific run-off pattern and relevant interest rate yield curve for different countries/ currencies where the company has claims

provisions. As a starting point regulatory framework allows also for a different valuation of nominal amounts. This has been discussed but assessed that there is a direct relationship between expected values and amounts accounted for in statutory accounts so that no other adjustments of claims provisions than discounting are taken.

It is assumed that statutory claims provisions including unallocated loss adjustment expenses (ULAE) will be adequate for covering liabilities related to claims payments and claims handling costs for claims incurred at calculation date. Volatility adjusted risk free interest rate curve is applied per 31.12.2022. It is assumed that interest yield curves are adequate and provide a correct picture of future inflation. The effect of the volatility adjustment is provided in chapters D1, D2, E1, E2. The same payments pattern as used for calculation of claims provisions is used for discounting.

Uncertainty related to claims provisions comprises mainly assumptions about future run-off patterns. The same line of business-specific run-off patterns are used both for valuation in statutory accounts and for discounting for solvency purposes. For individual lines of business the company has no sufficiently long run-off history for estimation of future run-off pattern based on own experience only. This is especially the case for “new” lines of business or lines of business in “new countries” where estimated future run-off pattern is estimated primarily based on publicly available or aggregated collected claims statistics. Alternatively, future run-off pattern is assumed to be corresponding to experienced run-off patterns in Scandinavia until own experience-based material is assessed to be sufficient.

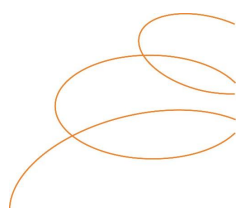
Best estimate of premiums provisions is calculated per Solvency II line of business by using calculation method taking into account future premiums (which include unearned premiums and other future premiums that the company has committed itself to) and expected future claims and costs that are related to these premiums. This results in premiums provisions being significantly lower in Solvency II valuation than statutory valuation where technical premiums provisions are equal to unearned premium.

It is assumed that the company’s estimate of future claims and costs form a realistic view of the future in valuation of premiums provisions.

Uncertainty related to premiums provisions comprises mainly assumptions about expected future profitability (combined ratio) which is estimated per line of business. Even if uncertainty related to estimated combined ratio at company’s level is lower, uncertainty is significant per line of business which may be of essential importance in valuation of premium provisions for solvency purpose.

Risk margin is calculated by calculating future SCR given a hypothetical run-off of the company, for every year until all claims are expected to be fully paid, and capital cost related to having capital requirement for the company in run-off, given a 6 % cost of capital.

Uncertainty related to risk margin comprises both assumptions about future run-off patterns and assumptions about future expected profitability, with assumption about future run-off pattern estimated to have the largest significance.



Risk margin is calculated for solvency purpose and does not exist in in statutory accounts.

Overview of net claims and premiums provisions and risk margin is provided in Table 7.

Table 7 Net provisions for claims, premiums and risk margin per line of business per 31.12.2022

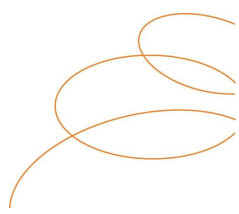
Insurance class	BE reserves, net		Risk margin
	Claims	Premiums	
Medical expenses	281 274	10 294	19 697
Income protection	526 142	22 143	26 102
Workers' compensation	975 774	-121 525	95 443
Motor vehicle liability	976 105	155 791	114 214
Other motor	270 271	298 087	24 104
Marine, aviation and transport	7 183	1 685	213
Fire and other damage to property	1 694 480	556 673	69 397
General liability	996 900	167 438	135 087
Miscellaneous financial loss	550	14	36
Annuities from non-life insurance related to health	166 782	0	36 150
Annuities from non-life insurance related to non-life	15 230	0	686
Life insurance	121 198	55 617	4 106
Total	6 031 889	1 146 217	525 236

Total net best estimate with volatility adjustment equal to zero is TNOK 7 711 787.

Total difference between net Solvency II claims provisions and claims provisions in statutory accounts was TNOK 760 006. Expected profit in future premiums was in total TNOK 526 539 per 31.12.2022.

Receivables stemming from reinsurance agreements constitute of difference between technical provisions at gross level and technical provisions calculated for own account and are assumed to apply to technical claims and premiums provisions, and not relevant for risk margin.

Amount receivable in accordance with reinsurance agreements for claims was TNOK 2 478 437 per 31.12.2022. Amount receivable in accordance with reinsurance agreements for premiums was TNOK 352 415 per 31.12.2022.



D.3 Other liabilities

Table 8 provides an overview of other liabilities with valuation different from statutory balance.

Table 8 Overview of other liabilities per 31.12.2022

Other liabilities	Solvency II	Statutory accounts
Total liabilities, whereof:	15 082 354	16 504 750
Reinsurance payables	1 797 095	2 192 305
Subordinated debt	1 226 805	1 244 711
Other liabilities	1 068 747	1 001 336
Deferred tax	347 988	42 771

In Solvency II valuation of liabilities related to reinsurance the liabilities are discounted in line with expected branch-specific run-off patterns for corresponding claims reserves and relevant interest rate yield curves for different countries/currencies.

Issued subordinated loans are accounted for at amortized cost in statutory accounts and reported at market value in Solvency II balance.

Other liabilities include among other things guarantee scheme which is reclassified from shareholders capital to liabilities ref 19.06.2014 clarification from the Norwegian Financial Supervisory Authority.

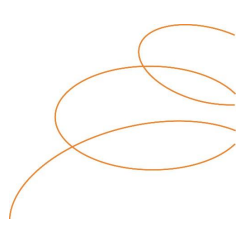
Deferred tax is assessed to be accounted for at market value as a starting point and is then adjusted as a result of differences between statutory and Solvency II values.

D.4 Alternative methods for valuation

The company does not use alternative valuation methods.

D.5 Any other information

All significant information is deemed provided above.



E. Capital Management

E.1 Own funds

The main purpose of capital management is to support the strategy of Protector Forsikring and ensure that the company is well capitalized in order to resist downturn in macro economy and/ or downturn in the company's business. Protector Forsikring's capital projections are based on company's 3-year strategic plans and are updated on a regular basis as a part of the company's ORSA process. Overview of the company's available and eligible capital for coverage of solvency capital requirement and minimum capital requirement per 31.12.2022 and 31.12.2021 is provided in Table 9.

Table 9 Overview of available and eligible capital

Available own funds to meet the SCR and MCR	31.12.2022	31.12.2021
Tier 1 - unrestricted	3 803 543	2 792 448
Tier 1 - restricted	347 996	493 348
Tier 2	941 503	1 008 445
Total available solvency capital to cover SCR and MCR	5 093 042	4 294 241

Eligible own funds to meet the SCR	31.12.2022	31.12.2021
Tier 1 - unrestricted	3 803 543	2 792 448
Tier 1 - restricted	347 996	493 348
Tier 2	941 503	1 008 445
Total eligible capital to cover SCR	5 093 042	4 294 241

Eligible own funds to meet the MCR	31.12.2022	31.12.2021
Tier 1 - unrestricted	3 803 543	2 792 448
Tier 1 - restricted	347 996	493 348
Tier 2	235 121	187 296
Total eligible capital to cover MCR	4 386 661	3 473 092

Total available capital was TNOK 5 093 042 per 31.12.2022 compared to TNOK 4 294 241 year before. Earnings and change in discounting rates had a positive impact on solvency capital development while dividend had reduced growth in solvency capital. Dividend of NOK 6 per share (TNOK 494 271 in total) is subtracted from Tier 1 capital.

The company has, in Q1 2022, called back a subordinated loan in Tier 1 restricted capital with a nominal value of TNOK 142 000, called back a subordinated loan in T2 capital with a nominal value of TNOK 400 000 and issued a subordinated debt in T2 capital with a nominal value of TNOK 400 000.

Protector Forsikring had no Tier 3 capital per 31.12.2022. In case the company incurs a significant economic loss this will give rise to a deferred tax asset. The deferred tax asset would be utilized given that the company will continue as going concern after the incurred loss. In most of cases the deferred tax asset could be classified as Tier 3 capital and used in calculation of solvency capital with the limitations which are defined in the solvency regulatory framework.

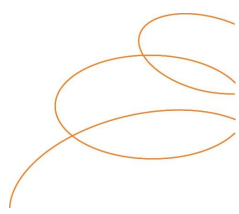


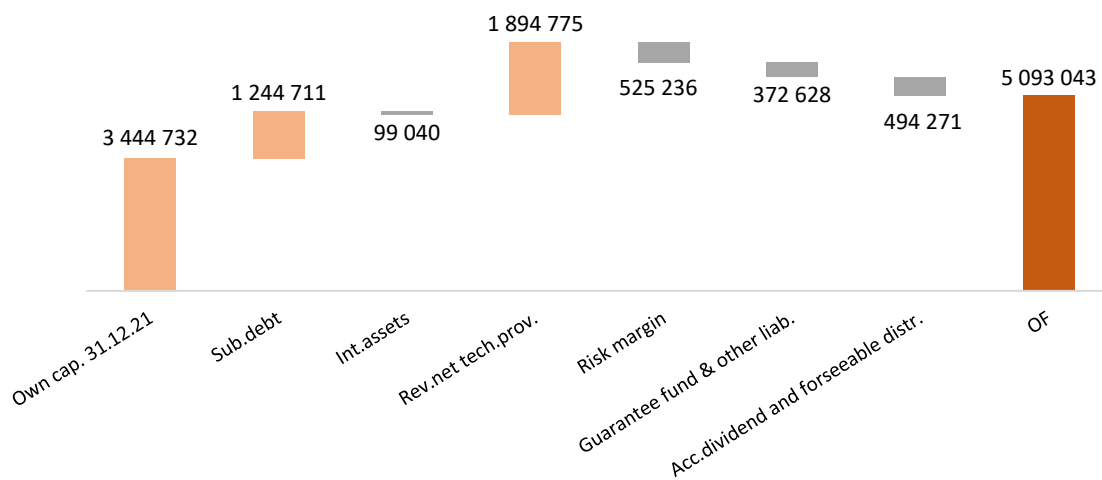
Table 10 shows available and eligible capital with volatility adjustment equal to zero.

Table 10 Overview of available and eligible capital with volatility adjustment equal to zero

Solvency capital	31.12.2022	31.12.2021
Available own funds to meet the SCR and MCR	5 073 115	4 225 204
Eligible own funds to meet the SCR	5 073 115	4 225 204
Eligible own funds to meet the MCR	4 365 721	3 404 496

Figure below provides reconciliation between the company's shareholders equity and Solvency II capital.

Figure 6 Overview of Solvency II capital compared to shareholders equity in statutory accounts



Main differences arise due to:

- Difference in valuation of assets and liabilities in Solvency II balance compared to statutory accounts as described above;
- Inclusion of subordinated debt as capital available for covering of solvency capital requirement and minimum capital requirement;
- Different value of deferred taxes due to difference between statutory and solvency values;
- Dividend which is taken into account in solvency capital calculation per 31.12.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

Overview of the company's solvency capital requirement and its composition and minimum capital requirement calculated using standard formula per 31.12.2022 and 31.12.2021 is provided in Table 11.

Table 11 Composition of Solvency II capital requirement and minimum capital requirement

Solvency capital requirement (SCR)	31.12.2022	31.12.2021
Total market risk	1 379 139	971 190
Total counterparty default risk	77 358	93 718
Total life underwriting risk	767	1 074
Total health underwriting risk	672 273	637 567
Total non-life underwriting risk	2 070 217	1 653 407
Diversification	-1 237 119	-1 025 437
Basic Solvency Capital Requirement	2 962 635	2 331 519
Total capital requirement for operational risk	283 738	261 107
Loss-absorbing capacity of deferred taxes	-633 914	-511 558
Total solvency capital requirement	2 612 459	2 081 068
Minimum capital requirement		
Total minimum capital requirement	1 175 606	936 480

Protector Forsikring does not use any simplifications nor any company-specific parameters for calculation of solvency capital requirement.

Loss absorbing capacity of deferred taxes reduces solvency capital requirement. Loss absorbing capacity of deferred taxes can be compared to deferred tax assets in financial accounts which arise due to economic loss. The company has prepared a plan for measures to strengthen solvency margin so that the company can continue as going concern in a stressed situation. Future earnings next five years after stress have to be of such amount that the company can utilize of the benefit which loss absorbing capacity of deferred taxes represent. In calculations of future earnings an investment portfolio with lower risk profile is assumed, with unchanged insurance risk profile. The company's calculations per 31.12.2022 indicate future earnings that are sufficient to utilize tax loss carry-forward and have tax effect at least equal to the calculated loss absorbing capacity of deferred taxes.

The company uses applicable solvency capital requirement for calculation of lower and upper boundaries for minimum capital requirement. For calculation of minimum capital requirement for non-life insurance, including health-related insurance, written premiums for own account per line of business during last 12 months before reporting date are used as well as best estimate for claims provisions for own account per line of business at reporting date. Each of these amounts are multiplied by defined percentage parameters, and sum yields minimum capital requirement based on premium income and claims provisions for non-life insurance, including health-related insurance. In addition, minimum capital requirement is calculated for lines of business defined as life insurance (group life and annuities related to health and non-life insurance). Calculation of the component related to life insurance includes best estimate of claims provisions for own account at reporting date and the total risk sum at reporting date. Risk sum is the amount which the company will pay in case of death of the insured, reduced by receivables in accordance with the company's reinsurance

agreements. Each of these amounts are multiplied by defined percentage parameters, and sum yields minimum capital requirement for life insurance (limited within lower and upper boundaries for minimum capital requirement).

Total solvency capital requirement per 31.12.2022 was TNOK 2 612 459 compared to TNOK 2 081 060 year before. An increase in the capital requirement is due to the company's growth and changes in investments portfolio.

Table 12 shows solvency capital requirement and minimum capital requirement with volatility adjustment equal to zero.

Table 12 Overview of solvency capital requirement and minimum capital requirement with volatility adjustment equal to zero

Capital requirement	31.12.2022	31.12.2021
Solvency capital requirement	2 085 954	2 085 954
Minimum capital requirement	938 679	938 679

E.3 Use of duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

The company does not use duration-based submodule for equities risk in calculation of solvency capital requirement.

E.4 Differences between the standard formula and any internal module used

The company does not use internal models.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

The company complies fulfils minimum and solvency capital requirement.

E.6 Any other information

All significant information about the company's capital per 31.12.2022 is deemed provided above.

