



INTERIM REPORT Q4 2022
PROTECTOR FORSIKRING ASA

(UNAUDITED)
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Highlights Q4 and preliminary full year 2022

A strong quarter and full year result

Protector Forsikring ASA recorded a profit of MNOK 613.1m (NOK 238.8m) for the quarter. The result is driven by a strong return on investments and a good technical result. The return on investments was NOK 662.8m (NOK 237.4m) or 4.6% (1.7%). The technical result was NOK 109.4m (NOK 101.2m) corresponding to a combined ratio of 91.6 % (91.6 %).

In Q4, the gross written premiums amounted to MNOK 1,275.2 up 62 % (60 % in local currencies) relative to Q4 2021. The strong growth is mainly driven by the UK and Sweden. Furthermore, premium growth is supported by a low client churn and continued price increases. For the full year, gross written premium came in at NOK 7,097.8m, up 19 %, (21 % in local currencies) relative to 2021.

In 2022, the company recorded a profit of NOK 809.5m (NOK 1,204.0m). The technical result was NOK 599.6m (NOK 594.4m) corresponding to a combined ratio of 88.9 % (87.3 %). The return on investments was NOK 500.6m (NOK 954.5m) or 3.4 % (6.8 %).

The Board has utilised its authorisation granted by the Annual General Meeting in 2022 and has resolved to distribute a special dividend of NOK 494.3m, corresponding to NOK 6.00 per share.

The SCR-ratio was 195 % (206 %) year-end, post dividends.

Q4 2022 shows following development compared to Q4 2021:

- Premium growth in local currencies 60 % (14 %)
- Net combined ratio 91.6 % (91.6 %)
- Net return on investments NOK 662.8m (NOK 237.4m) or 4.6 % (1.7 %)
- Profit for the period 613.1m (NOK 238.8m)
- Solvency margin of 195 % (206 %)

FY 2022 shows the following development compared to FY 2021:

- Premium growth in local currencies 21 % (10 %)
- Net combined ratio 88.9 % (87.3 %)
- Net return on investments NOK 500.6m (NOK 954.5m) or 3.4 % (6.8 %)
- Profit for the period 809.5m (NOK 1,204.0m)

Financial highlights and key ratios

NOKm	Q4 2022	Q4 2021	FY 2022	FY 2021	
Gross premiums written	1,275.2	785.9	7,097.8	5,950.6	
Gross premiums earned	1,755.4	1,468.3	6,541.0	5,746.1	
Gross claims incurred	(1,455.0)	(1,256.5)	(5,184.2)	(4,468.4)	
Earned premiums, net of reinsurance	1,527.5	1,268.9	5,714.6	4,920.7	
Claims incurred, net of reinsurance	(1,242.7)	(1,026.9)	(4,534.0)	(3,810.1)	
Sales cost	(107.9)	(94.7)	(386.6)	(361.7)	
Administration cost	(74.6)	(67.3)	(262.8)	(256.6)	
Commission from reinsurer	25.4	26.6	101.7	130.7	
Other insurance related income/expenses	(18.3)	(5.3)	(33.3)	(28.7)	
Technical result	109.4	101.2	599.6	594.4	
Other income/costs	(20.9)	(15.3)	(64.6)	(56.4)	
Net financial income	631.0	220.1	477.0	878.3	
Profit before tax	719.4	305.9	1,012.0	1,416.3	
Tax	(97.1)	(42.3)	(166.7)	(251.7)	
Discontinued operations	14.5	(0.0)	(2.5)	67.4	
Net comprehensive income	(23.6)	(24.9)	(33.3)	(28.1)	
Profit for the period	613.1	238.8	809.5	1,204.0	
Claims ratio, net of reinsurance	(1)	81.4 %	80.9 %	79.3 %	77.4 %
Expense ratio, net of reinsurance	(2)	10.3 %	10.7 %	9.6 %	9.9 %
Combined ratio, net of reinsurance	(3)	91.6 %	91.6 %	88.9 %	87.3 %
Gross claims ratio	(4)	82.9 %	85.6 %	79.3 %	77.8 %
Gross expense ratio	(5)	10.4 %	11.0 %	9.9 %	10.8 %
Gross combined ratio	(6)	93.3 %	96.6 %	89.2 %	88.5 %
Retention rate	(7)	87.0 %	86.4 %	87.4 %	85.6 %
Earnings per share	(8)	7.7	3.2	10.2	15.0

(1) Claims incurred, net of reinsurance in % of earned premiums, net of reinsurance

(2) Operating expenses in % of earned premiums, net of reinsurance

(3) Net claims ratio + net expense ratio

(4) Gross claims incurred in % of gross premiums earned

(5) Sales and administration costs in % of gross premiums earned

(6) Gross claims ratio + gross expense ratio

(7) Earned premiums, net of reinsurance in % of gross earned premiums

(8) Profit before other comprehensive income divided by weighted number of shares

Premiums

In Q4, gross premiums written increased by 62 % or NOK 489.3m to a total of NOK 1,275.2m. The growth in local currencies was 60 %. All business units contribute positively to the growth; UK and Sweden are however the greatest drivers. UK alone make up 62 % of the total growth. Furthermore, the total premium growth is supported by a low client churn and continued price increases.

The growth per country was:

Gross premiums written (NOKm)				
	Q4 2022	Q4 2021	Growth	
Norway	143.6	122.1	21.5	18 %
Sweden	383.5	275.8	107.7	39 %
Denmark	142.6	91.8	50.8	55 %
UK	597.2	291.4	305.8	105 %
Finland	8.3	4.9	3.5	72 %
Total	1,275.2	785.9	489.3	62 %

In 2022, the gross premiums written totaled to NOK 7,097.8m, representing a 19 % growth. The growth in local currencies was 21 %. On a company level the growth has been supported by a low client churn and continued price increases. All business units have contributed positively to the premium growth. However, UK and Sweden are the units experiencing highest absolute growth.

The growth per country was:

Gross premiums written (NOKm)				
	FY 2022	FY 2021	Growth	
Norway	1,610.1	1,415.0	195.1	14 %
Sweden	2,072.6	1,820.5	252.1	14 %
Denmark	1,077.2	918.7	158.5	17 %
UK	2,115.7	1,618.1	497.5	31 %
Finland	222.2	178.2	44.0	25 %
Total	7 097.8	5 950.6	1 147.2	19 %

Results

In Q4, the profit for the quarter totaled NOK 613.1m against NOK 238.8m in Q4 2021. The technical result was NOK 109.4m (NOK 101.2m), corresponding to a net combined ratio of 91.6 % (91.6 %). The technical result was driven by strong results in the UK.

The net combined ratio by country was:

	Net combined ratio		Net claims ratio		Net expense ratio	
	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021
Norway	107.5 %	96.6 %	100.6 %	88.5 %	6.9 %	8.1 %
Sweden	91.6 %	72.6 %	77.8 %	61.8 %	13.9 %	10.8 %
Denmark	94.8 %	99.1 %	87.5 %	89.3 %	7.3 %	9.8 %
UK	76.6 %	108.4 %	65.2 %	93.6 %	11.5 %	14.8 %
Finland	85.7 %	67.4 %	78.1 %	64.1 %	7.7 %	3.3 %
Total	91.6 %	91.6 %	81.4 %	80.9 %	10.3 %	10.7 %

The net claims ratio increased from 80.9 % in Q4 2021 to 81.4 % in Q4 2022. The large loss-ratio decreased from 7.2 % in Q4 2021 to 4.2 % in Q4 2022. In Q4, the company had run-off losses of -0.3 % against -4.3 % in Q4 2021.

The net expense ratio was 10.3 %, down from 10.7 %. The decrease is mainly due to premium growth.

In 2022, the profit totaled NOK 809.5m against NOK 1,204.0m in 2021. The technical result was NOK 599.6m (NOK 594.4m), corresponding to a net combined ratio of 88.9 % (87.3 %). The technical result is driven by strong results in Sweden, the UK and Norway.

The net combined ratio by country was:

	Net combined ratio		Net claims ratio		Net expense ratio	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Norway	89.2 %	89.2 %	83.7 %	82.1 %	5.5 %	7.2 %
Sweden	86.9 %	73.0 %	75.0 %	62.8 %	11.9 %	10.2 %
Denmark	93.7 %	89.8 %	86.9 %	82.9 %	6.8 %	6.9 %
UK	87.6 %	103.3 %	74.2 %	87.8 %	13.3 %	15.5 %
Finland	91.5 %	82.1 %	86.6 %	78.1 %	4.9 %	4.0 %
Total	88.9 %	87.3 %	79.3 %	77.4 %	9.6 %	9.9 %

In 2022, the company had run-off gains of NOK 133.7m (2.3 %) compared to run-off losses of NOK -14.8m (-0.3 %) in 2021. The run-off result is driven by run-off gains in Sweden and the UK.

The net claims ratio increased from 77.4 % in 2021 to 79.3 % in 2022. The large loss-ratio was 6.2 % against 4.6 % in 2021.

The Covid-19 pandemic had no measurable impact in 2022. In 2021, Covid-19 had a positive impact on the net claims ratio of 0.8 percentage points, mainly related to motor insurance.

The net expense ratio amounted to 9.6 %, down from 9.9 % in 2021. The decrease is mainly due to premium growth.

Discontinued operations

In Q4, the technical result for discontinued operations (change of ownership insurance) was NOK -17.3m (NOK -17.2m) and the profit for the quarter was NOK 14.5m (NOK 0m).

In 2022, the technical result was NOK -28.0m (NOK 10.8m). The profit for the year was negative by NOK -2.5m (NOK 67.4m).

Investment return

The net investment portfolio amounted to a total of NOK 14,913m at 31 December up 4.2 % compared to the portfolio at the end of Q4 2021.

In Q4, the investment activities yielded a total return of NOK 662.8m (4.6 %) compared to NOK 237.4m (1.7 %) in Q4 2021. Equities accounted for a NOK 418.5m gain (18.3 %) against a NOK 211.4m gain (10.4 %) in Q4 2021. The return on the fixed income portfolio totaled NOK 244.3m (2.0 %) against NOK 26m (0.2 %) in Q4 2021.

In 2022, the investment result was NOK 500.6m (3.4 %) against NOK 954.5m (6.8 %) in 2021. Equities accounted for a NOK 329.8m gain (13.9 %) against a NOK 669.5m gain (38.9 %) in 2021. The return on the fixed income portfolio totaled NOK 170.8m or 1.4 % against NOK 285.1m or 2.3 % in 2021.

Our investment portfolio has a very limited direct exposure to Ukraine and/or Russia.

At the end of Q4 2022, 17.9 % of Protector's financial assets were invested in equities, against 15.1 % at the year-end of 2021. 27 % of our total financial assets were allocated to high yield (NOK 4.1 bn.), up from 24 % (NOK 3.5 bn.) at the end of 2021.

Equity and capital position

At the end of Q4, the volatility adjusted SCR-ratio using the standard formula was 195 % post dividends, down from 206 % at year-end 2021.

The company's long-term objective is to maintain a SCR-ratio (calculated according to the Solvency II regulations) above 150 %.

The company's equity amounted to NOK 3,444.7m, a decrease of NOK 137.4m compared to the equity at the end of 2021. The reduction is due to dividends paid out during the first half-year (NOK 947.3m in total corresponding to NOK 11.50 per share).

Protector has a BBB+ rating from A.M. Best.

Dividend

Based on the company's strong financial position, competitive position in the market and dividend policy the Board has resolved to distribute a special dividend of NOK 494.3 million, corresponding to NOK 6.00 per share. The resolved dividend is included in other equity and the payment will take place on 15 February 2023.

Prospects

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

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

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

Oslo, 1st February 2023

The Board of Directors of Protector Forsikring ASA

Income statement

NOKm	Q4 2022	Q4 2021	FY 2022	FY 2021
Premium income				
Gross written premiums	1,275.2	785.9	7,097.8	5,950.6
Change in provisions for unearned premiums	480.2	682.3	(556.7)	(204.5)
Gross premiums earned	1,755.4	1,468.3	6,541.0	5,746.1
Reinsurers' share of earned premiums	(227.9)	(199.4)	(826.4)	(825.3)
Earned premiums, net of reinsurance	1,527.5	1,268.9	5,714.6	4,920.7
Other insurance-related income	1.2	1.3	11.9	8.7
Gross claims incurred	(1,455.0)	(1,256.5)	(5,184.2)	(4,468.4)
Reinsurers' share of claims incurred	212.3	229.5	650.2	658.3
Claims incurred, net of reinsurance	(1,242.7)	(1,026.9)	(4,534.0)	(3,810.1)
Operating expenses				
Sales costs	(107.9)	(94.7)	(386.6)	(361.7)
Administration costs	(74.6)	(67.3)	(262.8)	(256.6)
Commission from reinsurers	25.4	26.6	101.7	130.7
Total operating expenses, net of reinsurance	(157.1)	(135.4)	(547.7)	(487.6)
Other insurance-related expenses	(19.5)	(6.7)	(45.1)	(37.4)
Technical result	109.4	101.2	599.6	594.4
Income from associated companies	-	(2.1)	20.1	10.8
Interest income and dividend from financial assets	126.8	116.1	457.8	331.7
Changes in value on investments	455.1	31.0	(122.8)	(21.8)
Realised gain and loss on investments	63.2	83.6	156.3	620.6
Administration expenses related to investments	(14.2)	(8.4)	(34.4)	(62.9)
Net income from financial assets	631.0	220.1	477.0	878.3
Other income/expenses	(20.9)	(15.3)	(64.6)	(56.4)
Non-technical result	610.0	204.8	412.4	821.9
Profit before tax	719.4	305.9	1,012.0	1,416.3
Tax	(97.1)	(42.3)	(166.7)	(251.7)
Discontinued operations	14.5	(0.0)	(2.5)	67.4
Profit before components of comprehensive income	636.8	263.6	842.8	1,232.1

Statement of comprehensive income

NOKm	Q4 2022	Q4 2021	FY 2022	FY 2021
Profit before components of comprehensive income	636.8	263.6	842.8	1,232.1
Actuarial gain and loss from defined benefit pension plans	-	-	-	(1.0)
Currency changes from foreign enterprise	(31.5)	(33.2)	(44.4)	(36.5)
Taxes on components of comprehensive income	7.9	8.3	11.1	9.4
Profit for the period	613.1	238.8	809.5	1,204.0
Earnings per share	7.73	3.20	10.23	14.96
Earnings per share, diluted	7.73	3.20	10.23	14.96

Statement of financial position

NOKm	31.12.2022	31.12.2021
Assets		
Intangible fixed assets		
Other intangible fixed assets	95.9	73.3
Total intangible fixed assets	95.9	73.3
Financial assets		
Shares in associated companies	-	127.3
Shares	2,522.9	1,824.4
Securities, bonds etc.	10,832.1	9,179.3
Financial derivatives	65.7	94.1
Bank deposits	839.8	1,935.5
Total financial assets	14,260.6	13,160.7
Reinsurers share of gross technical provisions		
Reinsurers share of gross premium provisions	226.1	177.1
Reinsurers share of gross claims provisions	2,842.6	2,972.2
Total reinsurers share of gross technical provisions	3,068.7	3,149.3
Receivables		
Policyholders	691.2	523.2
Other receivables	29.5	95.3
Total receivables	720.7	618.5
Other assets		
Tangible fixed assets	29.0	34.0
Cash and bank deposits	198.5	300.0
Total other assets	227.5	333.9
Total prepaid expenses	697.7	462.5
Assets discontinued operations	878.3	1,448.0
Total assets	19,949.4	19,246.3

Statement of financial position

NOKm	31.12.2022	31.12.2021
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	350.1	350.0
Earned equity		
Natural perils capital	62.7	97.7
Guarantee scheme provision	72.8	78.2
Fund for valuation differences	-	10.0
Other equity	2,959.2	3,046.2
Total earned equity	3,094.7	3,232.1
Total equity	3,444.7	3,582.1
Subordinated loan capital	1,244.7	1,384.7
Technical provisions		
Provisions for unearned premiums	2,111.8	1,575.5
Provisions for claims	9,387.1	8,404.1
Total technical provisions	11,498.9	9,979.6
Provisions for other risks and liabilities		
Current tax liability	120.2	191.2
Deferred tax liability	42.8	121.6
Total provisions for other risks and liabilities	163.0	312.8
Liabilities		
Liabilities in connection with insurance	107.5	73.4
Liabilities in connection with reinsurance	2,095.0	2,238.3
Financial derivatives	54.8	26.1
Other liabilities	271.2	286.6
Total liabilities	2,528.5	2,624.4
Incurred expenses and prepaid income		
Other incurred expenses and prepaid income	555.2	528.9
Total incurred expenses and prepaid income	555.2	528.9
Liabilities discontinued operations	514.4	833.8
Total equity and liabilities	19,949.4	19,246.3

Cash flow statement

NOKm	Q4 2022	Q4 2021	FY 2022	FY 2021
Cash flow from operations				
Premiums paid	1,136.4	1,145.7	6,737.4	5,884.3
Claims paid	(1,170.2)	(1,113.2)	(4,548.9)	(3,934.5)
Paid reinsurance	(0.2)	(78.4)	(146.7)	(351.8)
Paid operating expenses including commissions	(66.2)	(34.7)	(551.9)	(440.1)
Interest / dividend income	128.9	124.1	482.4	358.1
Net payments from financial instruments	(1,304.1)	143.3	(1,792.2)	(372.1)
Payable tax	(17.8)	17.3	(301.4)	(173.9)
Net cash flow from operations	(1,293.2)	204.0	(121.4)	969.9
Cash flow from investment activities				
Investments in fixed assets	(11.5)	(10.5)	(43.8)	(52.8)
Net cash flow from investment activities	(11.5)	(10.5)	(43.8)	(52.8)
Cash flow from financial activities				
Dividend paid	-	(137.6)	(947.3)	(659.5)
Net payment on subordinated loan capital	-	140.5	(140.0)	(88.4)
Interest payments on subordinated loan capital	(19.9)	(16.5)	(66.6)	(61.6)
Net cash flow from financial activities	(19.9)	(809.5)	(1,153.9)	(809.5)
Net cash flow for the period	(1,324.6)	179.9	(1,319.0)	107.6
Net change in cash and cash equivalents	(1,324.6)	179.9	(1,319.0)	107.6
Cash and cash equivalents opening balance	2,413.7	2,227.7	2,407.2	2,312.1
Effects of exchange rate changes on cash and cash equivalents	(8.7)	(0.4)	(7.9)	(12.5)
Cash and cash equivalents closing balance	1,080.3	2,407.2	1,080.3	2,407.2

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 at 31.12.2020	86.2	(4.3)	267.7	70.2	84.9	-	2,525.9	3,030.5
Profit for the period		-	-	6.3	(1.3)	-	567.8	572.8
Currency changes		-	-	-	-	-	(20.4)	(20.4)
Own shares		0.4	-	-	-	-	1.3	1.7
Equity at 31.03.2021	86.2	(3.8)	267.7	76.4	83.6	-	3,074.5	3,584.5
Profit for the period	(3.7)	-	-	9.0	(2.1)	-	260.4	267.3
Dividend paid		-	-	-	-	-	(384.4)	(384.4)
Currency changes		-	-	-	-	-	10.8	10.8
Own shares		3.7	-	-	-	-	4.9	5.0
Equity at 30.06.2021	82.5	(0.1)	267.7	85.4	81.5	-	2,966.2	3,483.2
Profit for the period		-	-	11.7	(1.8)	12.3	103.0	125.1
Dividend paid		-	-	-	-	-	(137.5)	(137.5)
Currency changes		-	-	-	-	-	(3.6)	(3.6)
Own shares		-	-	-	-	-	-	-
Equity at 30.09.2021	82.5	(0.1)	267.7	97.1	79.7	12.3	2,928.0	3,467.2
Profit for the period		-	-	0.6	(1.5)	(2.3)	242.0	238.8
Dividend paid		-	-	-	-	-	(137.6)	(137.6)
Currency changes		-	-	-	-	-	13.2	13.2
Own shares		-	-	-	-	-	0.5	0.5
Equity at 31.12.2021	82.5	(0.1)	267.7	97.7	78.2	10.0	3,046.2	3,582.1
Profit for the period		-	-	(7.9)	(1.4)	9.0	(44.4)	(44.7)
Dividend paid		-	-	-	-	-	(247.1)	(247.1)
Equity at 31.03.2022	82.5	(0.1)	267.7	89.8	76.8	18.9	2,754.7	3,290.3
Profit for the period		-	-	10.4	(1.8)	(0.3)	57.5	65.8
Dividend paid		-	-	-	-	-	(700.2)	(700.2)
Value changes in synthetic shares ¹		-	-	-	-	-	3.5	3.5
Own shares		0.0	-	-	-	-	0.0	0.0
Equity at 30.06.2022	82.5	(0.1)	267.7	100.2	75.0	18.6	2,115.5	2,659.4
Profit for the period		-	-	2.9	(1.5)	(18.6)	192.4	175.2
Reclassification of admin. cost		-	-	(47.5)	-	-	47.5	-
Value changes in synthetic shares ¹		-	-	-	-	-	(0.5)	(0.5)
Equity at 30.09.2022	82.5	(0.1)	267.7	55.6	73.6	-	2,354.9	2,834.1
Profit for the period		-	-	7.1	(0.8)	-	606.9	613.1
Value changes in synthetic shares ¹		-	-	-	-	-	(2.5)	(2.5)
Equity 31.12.2022	82.5	(0.1)	267.7	62.7	72.8	-	2,959.2	3,444.7

¹ Synthetic shares in long term bonus scheme.

Notes

Accounting principles

These interim accounts have been prepared in accordance with the Financial Statement Regulation for Non-life Insurance Companies (Forskrift om årsregnskap for skadeforsikringsselskaper) and IAS 34 and in line with the accounting principles described in the annual report for 2021. The company's financial statements are prepared in accordance with the Norwegian Accounting Act, Financial Statement Regulation for Non-life Insurance Companies and generally accepted accounting principles. For further information, please see the 2021 annual report.

Discontinued operations

Protector decided in 2018 to exit the change of ownership insurance (COI) market. After the decision 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 July 1st 2020. Protector has from January 1st 2022, when the new Real Property Sale Act entered into force, stopped writing new COI business.

Income statement discontinued operations

NOKm	Q4 2022	Q4 2021	FY 2022	FY 2021
Gross premiums earned	0.2	37.8	2.6	188.7
Reinsurers' share of earned premiums	(0.0)	(3.8)	(0.2)	(18.8)
Earned premiums, net of reinsurance	0.2	34.0	2.4	169.9
Gross claims incurred	(29.6)	(74.0)	(43.3)	(202.2)
Reinsurers' share of claims incurred	14.1	26.2	18.8	47.5
Claims incurred, net of reinsurance	(15.5)	(47.8)	(24.5)	(154.7)
Total operating expenses, net of reinsurance	(1.3)	(1.6)	(1.9)	1.2
Other insurance related income/expenses	(0.7)	(1.8)	(3.9)	(5.6)
Technical result	(17.3)	(17.2)	(28.0)	10.8
Net income from financial assets	31.8	17.4	23.6	76.2
Other income/expenses	(0.8)	(1.2)	(3.2)	(5.0)
Non-technical result	31.0	16.1	20.4	71.2
Profit before tax	13.7	(1.1)	(7.6)	82.0
Tax	0.8	1.1	5.1	(14.6)
Profit for the period	14.5	(0.0)	(2.5)	67.4

Segment information

Protector Forsikring ASA's operations comprise the segments Norway, Sweden, Denmark, Finland and the UK. The segments are evaluated regularly by Protector's executive management based on financial and operational information specially prepared for each segment for the purpose of following up performance and allocating necessary resources.

Quarter

NOKm	Norway		Sweden		Denmark		UK		Finland		
	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021	
Gross premiums written	143.6	122.1	383.5	275.8	142.6	91.8	597.2	291.4	8.3	4.9	
Gross premiums earned	405.8	351.2	513.4	442.4	274.2	230.6	514.5	384.5	47.5	59.6	
Gross claims incurred	(449.7)	(343.4)	(372.9)	(256.5)	(281.4)	(248.6)	(314.4)	(369.7)	(36.6)	(38.2)	
Earned premiums, net of reinsurance	369.8	312.9	444.6	379.2	246.1	199.3	423.8	324.1	43.3	53.3	
Other insurance related income	0.7	0.8	0.1	0.2	(0.0)	0.0	0.1	0.0	0.3	0.3	
Claims incurred, net of reinsurance	(371.9)	(277.0)	(345.7)	(234.5)	(215.3)	(178.0)	(276.1)	(303.3)	(33.8)	(34.2)	
Sales cost	(11.4)	(14.7)	(46.0)	(37.7)	(6.9)	(6.1)	(41.5)	(34.9)	(2.1)	(1.3)	
Administration cost	(14.6)	(14.7)	(24.3)	(18.3)	(13.1)	(15.3)	(20.5)	(16.5)	(2.0)	(2.5)	
Commission from reinsurer	0.4	4.1	8.7	15.1	2.0	2.0	13.5	3.4	0.7	2.0	
Other insurance related expenses	(2.3)	(2.1)	0.0	(0.3)	(14.8)	(2.6)	(2.1)	(1.4)	(0.3)	(0.3)	
Technical result	(29.2)	9.4	37.3	103.7	(2.0)	(0.7)	97.1	(28.5)	6.2	17.3	
Other income/costs	(20.4)	(14.6)	(0.2)	(0.1)	(0.3)	(0.3)	0.0	(0.2)	(0.1)	(0.1)	
Net financial income	540.3	207.0	11.8	6.5	(4.2)	2.1	80.6	3.9	2.4	0.6	
Profit before tax	490.7	201.7	48.9	110.0	(6.5)	1.2	177.7	(24.8)	8.6	17.8	
Claims ratio, net of reinsurance	(1)	100.6 %	88.5 %	77.8 %	61.8 %	87.5 %	89.3 %	65.2 %	93.6 %	78.1 %	64.1 %
Expense ratio, net of reinsurance	(2)	6.9 %	8.1 %	13.9 %	10.8 %	7.3 %	9.8 %	11.5 %	14.8 %	7.7 %	3.3 %
Combined ratio, net of reinsurance	(3)	107.5 %	96.6 %	91.6 %	72.6 %	94.8 %	99.1 %	76.6 %	108.4 %	85.7 %	67.4 %
Gross claims ratio	(4)	110.8 %	97.8 %	72.6 %	58.0 %	102.6 %	107.8 %	61.1 %	96.2 %	77.1 %	64.1 %
Gross expense ratio	(5)	6.4 %	8.4 %	13.7 %	12.6 %	7.3 %	9.3 %	12.1 %	13.4 %	8.5 %	6.3 %
Gross combined ratio	(6)	117.2 %	106.2 %	86.3 %	70.6 %	109.9 %	117.1 %	73.2 %	109.5 %	85.6 %	70.5 %

(1) Claims incurred, net of reinsurance in % of earned premiums, net of reinsurance

(2) Operating expenses in % of earned premiums, net of reinsurance

(3) Net claims ratio + net expense ratio

(4) Gross claims incurred in % of gross premiums earned

(5) Sales and administration costs in % of gross premiums earned

(6) Gross claims ratio + gross expense ratio

Full year (FY)

NOKm	Norway		Sweden		Denmark		UK		Finland		
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	
Gross premiums written	1,610.1	1,415.0	2,072.6	1,820.5	1,077.2	918.7	2,115.7	1,618.1	222.2	178.2	
Gross premiums earned	1,578.8	1,398.3	1,942.1	1,749.3	1,038.3	880.2	1,770.8	1,460.5	211.1	257.8	
Gross claims incurred	(1,335.1)	(1,088.6)	(1,410.6)	(1,038.1)	(970.8)	(904.6)	(1,284.9)	(1,237.6)	(182.8)	(199.4)	
Earned premiums, net of reinsurance	1,434.4	1,245.4	1,730.1	1,512.3	929.9	761.4	1,427.1	1,170.9	193.0	230.7	
Other insurance related income	4.3	4.0	0.4	0.4	0.1	0.5	5.6	2.2	1.5	1.7	
Claims incurred, net of reinsurance	(1,201.2)	(1,021.8)	(1,298.2)	(949.2)	(807.9)	(631.3)	(1,059.6)	(1,027.6)	(167.2)	(180.2)	
Sales cost	(45.7)	(56.6)	(160.7)	(138.5)	(26.5)	(27.0)	(148.3)	(135.5)	(5.3)	(4.2)	
Administration cost	(52.9)	(49.0)	(81.7)	(75.9)	(46.3)	(46.9)	(76.0)	(74.6)	(6.0)	(10.2)	
Commission from reinsurer	19.7	16.5	36.7	60.0	9.6	21.1	33.8	28.1	1.9	5.1	
Other insurance related expenses	(13.5)	(14.9)	(0.8)	0.8	(22.4)	(13.8)	(5.5)	(8.4)	(3.0)	(1.1)	
Technical result	145.1	123.5	225.8	409.9	36.5	64.0	177.2	(44.8)	14.9	41.8	
Other income/costs	(64.8)	(57.7)	(0.6)	(0.8)	0.2	0.0	0.6	2.1	(0.1)	(0.0)	
Net financial income	437.3	758.3	17.0	98.9	(11.4)	(1.4)	39.7	6.4	(5.7)	16.2	
Profit before tax	517.7	824.2	242.3	508.0	25.4	62.6	217.5	(36.4)	9.2	57.9	
Claims ratio, net of reinsurance	(1)	83.7 %	82.1 %	75.0 %	62.8 %	86.9 %	82.9 %	74.2 %	87.8 %	86.6 %	78.1 %
Expense ratio, net of reinsurance	(2)	5.5 %	7.2 %	11.9 %	10.2 %	6.8 %	6.9 %	13.3 %	15.5 %	4.9 %	4.0 %
Combined ratio, net of reinsurance	(3)	89.2 %	89.2 %	86.9 %	73.0 %	93.7 %	89.8 %	87.6 %	103.3 %	91.5 %	82.1 %
Gross claims ratio	(4)	84.6 %	77.8 %	72.6 %	59.3 %	93.5 %	102.8 %	72.6 %	84.7 %	86.6 %	77.3 %
Gross expense ratio	(5)	6.2 %	7.6 %	12.5 %	12.3 %	7.0 %	8.4 %	12.7 %	14.4 %	5.4 %	5.6 %
Gross combined ratio	(6)	90.8 %	85.4 %	85.1 %	71.6 %	100.5 %	111.2 %	85.2 %	99.1 %	91.9 %	82.9 %

(1) Claims incurred, net of reinsurance in % of earned premiums, net of reinsurance

(2) Operating expenses in % of earned premiums, net of reinsurance

(3) Net claims ratio + net expense ratio

(4) Gross claims incurred in % of gross premiums earned

(5) Sales and administration costs in % of gross premiums earned

(6) Gross claims ratio + gross expense ratio

Financial assets, fair value estimation

Financial assets through profit or loss [NOKm]	Currency	Level 1	Level 2	Level 3	Total
Shares	NOK	368.1	2 240.3	39.3	2,647.7
Bonds and other fixed income securities	NOK	-	11,258.5	109.1	11,367.6
Cash and cash equivalents	NOK	881,3	-	-	881.3
<i>Derivatives:</i>					
Interest rate swaps	-	-	6,3	-	6.3
Foreign currency contracts	NOK	-	43.4	-	43.4
Options	NOK	-	19.3	-	19.3
Total assets 31.12.2022	NOK	1,249.4	13,567.8	148.4	14,965.6
Total assets 31.12.2021	NOK	2,606.4	11,557.8	-	14,164.3

Financial liabilities at fair value through profit or loss [NOKm]	Currency	Level 1	Level 2	Level 3	Total
<i>Derivatives:</i>					
Interest rate swaps		-	-	-	-
Foreign exchange contracts	NOK	-	(54.8)	-	(54.8)
Other financial liabilities	NOK	-	-	-	-
Total financial liabilities 31.12.2022	NOK	-	(54.8)	-	(54.8)
Total financial liabilities 31.12.2021	NOK	-	(26.1)	-	(26.1)

The fair value of listed investments is based on the current sales price. Financial instruments measured at fair value are valued on a daily basis. Directly observable prices in the market are used as far as possible. The valuations for the different types of financial instruments are based on recognized 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 20m or more. Based on this, the equities are regarded as sufficiently liquid to be included at this level. Bonds, certificates or equivalent instruments issued by national governments are generally classified as level 1.

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

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

Level 3: Financial instruments valued on the basis of information that is not observable in accordance with level 2

The instrument is included in level 3 if one or more essential data are not based on observable market data.

Solvency Margin

NOKm	31.12.2022	31.12.2021
Total solvency capital requirement	2,611	2,081
Total eligible own funds to meet SCR ¹	5,093	4,294
Ratio of eligible own funds to SCR	195 %	206 %
Total minimum capital requirement	1 175	936
Ratio of eligible own funds to MCR	373 %	421 %

¹ The resolved special dividend of NOK 494.3m (NOK 6.0 per share) for the financial year 2021 has been deducted from own funds.

Alternative performance measures and key figures

		Q4 2022	Q4 2021	FY 2022	FY 2021
Gross premiums written ¹					
Norway	NOKm	143.6	122.1	1,610.1	1,415.0
Sweden	NOKm	383.5	275.8	2,072.6	1,820.5
Denmark	NOKm	142.6	91.8	1,077.2	918.7
UK	NOKm	597.2	291.4	2,115.7	1,618.1
Finland	NOKm	8.3	4.9	222.2	178.2
Total premiums written	NOKm	1,275.2	785.9	7,097.8	5,950.6
Gross premiums earned					
Norway	NOKm	405.8	351.2	1,578.8	1,398.3
Sweden	NOKm	513.4	442.4	1,942.1	1,749.3
Denmark	NOKm	274.2	230.6	1,038.3	880.2
UK	NOKm	514.5	384.5	1,770.8	1,460.5
Finland	NOKm	47.5	59.6	211.1	257.8
Total gross premiums earned	NOKm	1,755.4	1,468.3	6,541.0	5,746.1
Earned premiums, net of reinsurance					
Norway	NOKm	369.8	312.9	1,434.4	1,245.4
Sweden	NOKm	444.6	379.2	1,730.1	1,512.3
Denmark	NOKm	246.1	199.3	929.9	761.4
UK	NOKm	423.8	324.1	1,427.1	1,170.9
Finland	NOKm	43.3	53.3	193.0	230.7
Total earned premiums, net of reinsurance	NOKm	1,527.5	1,268.9	5,714.6	4,920.7
Gross claims incurred					
Norway	NOKm	(449.7)	(343.4)	(1,335.1)	(1,088.6)
Sweden	NOKm	(372.9)	(256.5)	(1,410.6)	(1,038.1)
Denmark	NOKm	(281.4)	(248.6)	(970.8)	(904.6)
UK	NOKm	(314.4)	(369.7)	(1,284.9)	(1,237.6)
Finland	NOKm	(36.6)	(38.2)	(182.8)	(199.4)
Total gross claims incurred	NOKm	(1,455.0)	(1,256.5)	(5,184.2)	(4,468.4)

Alternative performance measures and key figures

		Q4 2022	Q4 2021	FY 2022	FY 2021
Claims incurred, net of reinsurance					
Norway	NOKm	(371.9)	(277.0)	(1,201.2)	(1,021.8)
Sweden	NOKm	(345.7)	(234.5)	(1,298.2)	(949.2)
Denmark	NOKm	(215.3)	(178.0)	(807.9)	(631.3)
UK	NOKm	(276.1)	(303.3)	(1,059.6)	(1,027.6)
Finland	NOKm	(33.8)	(34.2)	(167.2)	(180.2)
Total claims incurred, net of reinsurance	NOKm	(1,242.7)	(1,026.9)	(4,534.0)	(3,810.1)
Gross expenses					
Norway	NOKm	(26.0)	(29.5)	(98.6)	(105.6)
Sweden	NOKm	(70.3)	(55.9)	(242.4)	(214.3)
Denmark	NOKm	(20.0)	(21.4)	(72.8)	(73.9)
UK	NOKm	(62.1)	(51.4)	(224.2)	(210.1)
Finland	NOKm	(4.1)	(3.8)	(11.3)	(14.3)
Total gross expenses	NOKm	(182.5)	(162.0)	(649.4)	(618.3)
Net expenses					
Norway	NOKm	(25.6)	(25.3)	(78.9)	(89.1)
Sweden	NOKm	(61.7)	(40.9)	(205.7)	(154.4)
Denmark	NOKm	(18.0)	(19.4)	(63.2)	(52.9)
UK	NOKm	(48.5)	(48.0)	(190.4)	(182.0)
Finland	NOKm	(3.3)	(1.8)	(9.4)	(9.3)
Total net expenses	NOKm	(157.1)	(135.4)	(547.7)	(487.6)
Gross claims ratio					
Norway	%	110.8 %	97.8 %	84.6 %	77.8 %
Sweden	%	72.6 %	58.0 %	72.6 %	59.3 %
Denmark	%	102.6 %	107.8 %	93.5 %	102.8 %
UK	%	61.1 %	96.2 %	72.6 %	84.7 %
Finland	%	77.1 %	64.1 %	86.6 %	77.3 %
Total gross claims ratio	%	82.9 %	85.6 %	79.3 %	77.8 %

Alternative performance measures and key figures

		Q4 2022	Q4 2021	FY 2022	FY 2021
Claims ratio, net of ceded business ¹					
Norway	%	100.6 %	88.5 %	83.7 %	82.1 %
Sweden	%	77.8 %	61.8 %	75.0 %	62.8 %
Denmark	%	87.5 %	89.3 %	86.9 %	82.9 %
UK	%	65.2 %	93.6 %	74.2 %	87.8 %
Finland	%	78.1 %	64.1 %	86.6 %	78.1 %
Total claims ratio, net of ceded business	%	81.4 %	80.9 %	79.3 %	77.4 %
Gross expense ratio					
Norway	%	6.4 %	8.4 %	6.2 %	7.6 %
Sweden	%	13.7 %	12.6 %	12.5 %	12.3 %
Denmark	%	7.3 %	9.3 %	7.0 %	8.4 %
UK	%	12.1 %	13.4 %	12.7 %	14.4 %
Finland	%	8.5 %	6.3 %	5.4 %	5.6 %
Total gross expense ratio	%	10.4 %	11.0 %	9.9 %	10.8 %
Expense ratio, net of ceded business ¹					
Norway	%	6.9 %	8.1 %	5.5 %	7.2 %
Sweden	%	13.9 %	10.8 %	11.9 %	10.2 %
Denmark	%	7.3 %	9.8 %	6.8 %	6.9 %
UK	%	11.5 %	14.8 %	13.3 %	15.5 %
Finland	%	7.7 %	3.3 %	4.9 %	4.0 %
Total expense ratio, net of ceded business	%	10.3 %	10.7 %	9.6 %	9.9 %
Gross combined ratio					
Norway	%	117.2 %	106.2 %	90.8 %	85.4 %
Sweden	%	86.3 %	70.6 %	85.1 %	71.6 %
Denmark	%	109.9 %	117.1 %	100.5 %	111.2 %
UK	%	73.2 %	109.5 %	85.2 %	99.1 %
Finland	%	85.6 %	70.5 %	91.9 %	82.9 %
Total gross combined ratio	%	93.3 %	96.6 %	89.2 %	88.5 %

Alternative performance measures and key figures

		Q4 2022	Q4 2021	FY 2022	FY 2021
Combined ratio, net of ceded business ¹					
Norway	%	107.5 %	96.6 %	89.2 %	89.2 %
Sweden	%	91.6 %	72.6 %	86.9 %	73.0 %
Denmark	%	94.8 %	99.1 %	93.7 %	89.8 %
UK	%	76.6 %	108.4 %	87.6 %	103.3 %
Finland	%	85.7 %	67.4 %	91.5 %	82.1 %
Total combined ratio, net of ceded business	%	91.6 %	91.6 %	88.9 %	87.3 %
Retention rate ¹					
Norway	%	91.1 %	89.1 %	90.9 %	89.1 %
Sweden	%	86.6 %	85.7 %	89.1 %	86.5 %
Denmark	%	89.7 %	86.4 %	89.6 %	86.5 %
UK	%	82.4 %	84.3 %	80.6 %	80.2 %
Finland	%	91.1 %	89.5 %	91.5 %	89.5 %
Total retention rate	%	87.0 %	86.4 %	87.4 %	85.6 %
Run-off gains/(losses)					
Net run-off-gains/losses	NOKm	(5.2)	(54.9)	133.7	(14.8)
Net run-off-gains/losses	%	-0.3 %	-4.3 %	2.3 %	-0.3 %
Return on investments ¹					
Total net income from investments, continued business	NOKm	631.0	220.1	477.0	878.3
Total net income from investments, discontinued business	NOKm	31.8	17.4	23.6	76.2
Total net income from investments	NOKm	662.8	237.4	500.6	954.5
Average investments, continued business	NOKm	13,673.5	13,367.6	13,998.1	12,853.1
Average investments, discontinued business	NOKm	692.0	884.9	692.0	1 118.1
Total average investments	NOKm	14,365.5	14,252.5	14,690.1	13,971.2
Return on investments, continued business	%	4.6 %	1.6 %	3.4 %	6.8 %
Return investments, discontinued business	%	4.6 %	2.0 %	3.4 %	6.8 %
Total return on investments	%	4.6 %	1.7 %	3.4 %	6.8 %

Alternative performance measures and key figures

		Q4 2022	Q4 2021	FY 2022	FY 2021
Total net income from shares	NOKm	418.5	211.4	329.8	669.5
Total net income from interests	NOKm	244.3	26.0	170.8	285.1
Total net income from investments	NOKm	662.8	237.4	500.6	954.5
Average investments shares	NOKm	2,284.5	2,024.1	2,377.5	1,720.0
Average investments interests	NOKm	12,081.0	12,228.4	12,312.6	12,251.2
Total average investments	NOKm	14,365.5	14,252.5	14,690.1	13,971.2
Return on investments, shares	%	18.3 %	10.4 %	13.9 %	38.9 %
Return investments, interests	%	2.0 %	0.2 %	1.4 %	2.3 %
Total return on investments	%	4.6 %	1.7 %	3.4 %	6.8 %
Return on equity, annualized ¹					
Profit before comprehensive income	NOKm	636.8	263.6	842.8	1,232.1
Average shareholder equity	NOKm	3,139.4	3,524.6	3,074.3	3,460.3
Return on equity, annualized	%	81.1 %	29.9 %	27.4 %	35.6 %
Equity	NOKm	3,444.7	3,582.1	3,444.7	3,582.1
Equity per share	NOK	41.8	43.5	41.8	43.5
Earnings per share in the period, basic and diluted ²	NOK	7.7	3.2	10.2	15.0
Issued shares (excl. own shares), at the end of the period	No.	82,378,549	82,371,969	82,378,549	82,371,969

¹ Defined as alternative performance measure (APM). APMs are described on www.protectorforsikring.no in document named APMs Protector Forsikring Q4 2022

² Earnings per share from continuing and discontinued operations, basic and diluted = the shareholders' share of the profit or loss from continuing and discontinued operations in the period/average number of outstanding shares in the period

Quarterly outline continued business

NOKm	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	
Gross premiums written	1,275.2	924.0	1,788.0	3,110.7	785.9	855.9	1,428.6	2,880.2	728.9	671.4	
Gross premiums earned	1,755.4	1,634.0	1,626.7	1,525.0	1,468.3	1,474.9	1,415.0	1,387.9	1,404.5	1,339.6	
Gross claims incurred	(1,455.0)	(1,260.1)	(1,198.5)	(1,270.6)	(1,256.5)	(1,082.5)	(1,094.3)	(1,035.2)	(1,155.3)	(1,080.2)	
Earned premiums, net of reinsurance	1,527.5	1,422.7	1,427.9	1,336.5	1,268.9	1,257.3	1,219.3	1,175.2	1,189.0	1,147.3	
Other insurance related income	1.2	1.7	7.1	1.8	1.3	2.9	1.5	2.9	7.4	3.9	
Claims incurred, net of reinsurance	(1,242.7)	(1,073.6)	(1,059.8)	(1,157.9)	(1,026.9)	(929.6)	(930.7)	(922.8)	(996.3)	(952.3)	
Sales cost	(107.9)	(99.9)	(86.0)	(92.8)	(94.7)	(88.6)	(76.9)	(101.5)	(93.3)	(86.5)	
Administration cost	(74.6)	(63.8)	(64.7)	(59.7)	(67.3)	(60.7)	(46.8)	(81.8)	(71.0)	(46.0)	
Commission from reinsurer	25.4	30.2	32.7	13.4	26.6	37.1	31.4	35.6	26.2	13.6	
Other insurance related income/expenses	(18.3)	(5.4)	(1.6)	(7.9)	(5.3)	(4.1)	(6.4)	(12.8)	(0.9)	4.9	
Technical result	109.4	210.1	248.5	31.6	101.2	211.4	189.8	92.0	53.6	80.9	
Other income/costs	(20.9)	(16.0)	(13.3)	(14.4)	(15.3)	(11.1)	(12.7)	(17.2)	(19.1)	(14.4)	
Net financial income	631.0	20.1	(164.9)	(9.2)	220.1	(0.3)	135.5	523.0	413.6	264.7	
Profit before tax	719.4	214.3	70.4	8.0	305.9	200.0	312.6	597.8	448.0	331.2	
Claims ratio, net of reinsurance	(1)	81.4 %	75.5 %	74.2 %	86.6 %	80.9 %	73.9 %	76.3 %	78.5 %	83.8 %	83.0 %
Expense ratio, net of reinsurance	(2)	10.3 %	9.4 %	8.3 %	10.4 %	10.7 %	8.9 %	7.6 %	12.6 %	11.6 %	10.4 %
Combined ratio, net of reinsurance	(3)	91.6 %	84.9 %	82.5 %	97.0 %	91.6 %	82.9 %	83.9 %	91.1 %	95.4 %	93.4 %
Gross claims ratio	(4)	82.9 %	77.1 %	73.7 %	83.3 %	85.6 %	73.4 %	77.3 %	74.6 %	82.3 %	80.6 %
Gross expense ratio	(5)	10.4 %	10.0 %	9.3 %	10.0 %	11.0 %	10.1 %	8.7 %	13.2 %	11.7 %	9.9 %
Gross combined ratio	(6)	93.3 %	87.1 %	82.9 %	93.3 %	96.6 %	83.5 %	86.1 %	87.8 %	94.0 %	90.5 %

(1) Claims incurred, net of reinsurance in % of earned premiums, net of reinsurance

(2) Operating expenses in % of earned premiums, net of reinsurance

(3) Net claims ratio + net expense ratio

(4) Gross claims incurred in % of gross premiums earned

(5) Sales and administration costs in % of gross premiums earned

(6) Gross claims ratio + gross expense ratio

New accounting standards from 1 January 2023

The Ministry of Finance has adopted changes to the accounting rules for insurance companies and as such as of January 1st 2023 Protector will adopt full IFRS. The main change from NGAAP to full IFRS is related to IFRS 17 Insurance Contracts. This new standard replaces IFRS 4 Insurance Contracts.

IFRS 17 Accounting Principles

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of issued insurance contracts and reinsurance contracts Held. Protector Forsikring has decided to use the simplified method, Premium Allocation Approach (PAA) to measure the insurance contracts. Most of Protector's contracts have a coverage period of one year or less. For the contracts where the coverage period is more than one year, Protector has calculated that the liability for remaining coverage not will differ materially from the liability by applying the general measurement model, and will therefore also use PAA for those contracts.

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

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

According to IFRS 17, LIC should be discounted when payments are expected to take place more than one year after the occurrence of the claim. Protector has decided to discount LIC for all products. Swap rates, will be used for the respective currencies.

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

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

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

IFRS 9 Accounting Principles

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

IFRS 16 Accounting Principles

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