



*If P&C Insurance AS*

**Interim Report**

**4<sup>th</sup> Quarter 2021**

**Translation from Estonian language**

## Contacts and signatures

If P&C Insurance AS main field of activity is non-life insurance services.

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Beginning of reporting period:	<i>1 January 2021</i>
End of reporting period:	<i>31 December 2021</i>
Chairman of the Management Board:	<i>Andris Morozovs</i>
Auditor:	<i>AS Deloitte Audit Eesti</i>

If P&C Insurance AS management board has compiled 4<sup>th</sup> quarter 2021 interim report which is presented on pages 7-20.

Member of the Management Board	Heinar Olak	/Signature/	25.02.2022
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Member of the Management Board	Tiit Kolde	/Signature/	25.02.2022
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**TABLE OF CONTENTS**

<b>EXPLANATORY NOTE.....</b>	<b>4</b>
<b>STATEMENT OF COMPREHENSIVE INCOME Q3 .....</b>	<b>7</b>
<b>STATEMENT OF COMPREHENSIVE INCOME.....</b>	<b>8</b>
<b>STATEMENT OF CHANGES IN EQUITY .....</b>	<b>10</b>
<b>STATEMENT OF CASH FLOWS .....</b>	<b>11</b>
<b>NOTES TO THE INTERIM FINANCIAL STATEMENTS.....</b>	<b>12</b>
Note 1. Accounting principles and basis of estimations used in the preparation of the financial statements .....	12
Note 2. Premiums earned, net of reinsurance .....	12
Note 3. Investment result.....	13
Note 4. Claims incurred, net of reinsurance .....	14
Note 5. Expenses.....	15
Note 6. Receivables related to insurance activities.....	15
Note 7. Financial investments .....	16
Note 8. Property, plant and equipment .....	17
Note 9. Liabilities related to insurance contracts and reinsurance assets .....	18
Note 10. Related party transactions.....	18

## EXPLANATORY NOTE

If P&C Insurance AS (the Company, If) is a wholly owned subsidiary of the leading Nordic property and casualty Insurance group If P&C Insurance Holding Ltd (publ), which in turn is owned by the Finnish company Sampo plc. Sampo plc is listed on the Helsinki Stock Exchange and the Sampo Group is made up of the parent company Sampo plc and its subsidiaries If P&C, Mandatum Life, Hastings and Topdanmark.

If has been offering property and casualty insurance to private individuals and corporate customers in the Baltic markets since 1992. Across the Baltic countries, If has approximately 320,000 policyholders and is one of the leading P&C companies in Estonia. If's products include Property, Liability, Motor, Marine & Transport and Accident & Health insurance.

The Company is registered in Estonia and operates in Latvia and Lithuania through branches. The current corporate structure enables efficient operations with some shared business functions across all three Baltic countries.

This interim report includes the financial indicators of the Estonian unit operated by If P&C Insurance AS and the Latvian and Lithuanian branches.

### Results for the twelve months of 2021

The technical result increased from €18.7 million in 2020 to €19.5 million in 2021, combined ratio worsened somewhat to 87.5% (87.3%).

Gross premiums written for the year amounted to €168.8 million (€152.2 million in 2020). Baltic P&C insurance market premium volume increased approximately by 6% during the 12 months of 2021. The Premium development was attributable to successful acquisition of new customers and solid renewals of existing customers, both in the large customer segment as well as in Private and Commercial small- and medium customer segments. Products and pricing were further adjusted to the changed market conditions following from the recovery from the Covid-19 situation, resulting in market leading GWP growth.

Total claims cost, including claims handling expenses, increased from €91.3 million in 2020 to €97.4 million in 2021, loss ratio increased to 62.4% (62.1%). In general, claims cost benefited from overall decent frequency developments following from the continued pandemic restrictions, especially in Motor lines, whereas the number of large claims was higher than expected.

Continuous efficiency improvements and tight cost control, supported by digitalization and automation of Customer interaction processes, reduced the Expense ratio to 25.1% (25.2% in 2020). Total expenses, excluding claims handling, increased to €39.1 million (€37.1 million in 2020) mainly driven by salary inflation.

The overall net profit before tax increased to €22.1 million (€21.0) in twelve months of 2021. Income tax cost was 3.9 million (€4.4) and arised mainly due to the dividend distribution from the profit earned in Estonia which is taxed with corporate income tax in the dividend distribution period.

## KEY FIGURES

€000	2021	2020
Premiums written, gross	168,756	152,243
Premiums earned, net of reinsurance	156,062	147,101
Claims incurred, net of reinsurance	97,405	91,297
Operating expenses <sup>1</sup>	39,109	37,094
Technical result <sup>2</sup>	19,548	18,710
Profit before taxes	22,069	20,963
Net profit	18,170	16,602
Combined ratio <sup>3</sup>	87.5%	87.3%
Expense ratio <sup>4</sup>	25.1%	25.2%
Loss ratio <sup>5</sup>	62.4%	62.1%
Return on investments <sup>6</sup>	0.0%	1.4%

**Formulas:**

<sup>1</sup> Operating expenses	Insurance contract acquisition costs and administrative expenses (+) reinsurance commissions and other income
<sup>2</sup> Technical result	Premiums earned, net of reinsurance (-) claims incurred, net of reinsurance (-) operating expenses
<sup>3</sup> Combined ratio	Expense ratio + loss ratio
<sup>4</sup> Expense ratio	$\frac{\text{Operating expenses}}{\text{Premiums earned, net of reinsurance}}$
<sup>5</sup> Loss ratio	$\frac{\text{Claims incurred (incl. Claims handling costs), net of reinsurance}}{\text{Premiums earned, net of reinsurance}}$
<sup>6</sup> Return on investments (yearly basis)	$\frac{\text{Investment income (-) investment expenses (+) changes in fair value recognised in other comprehensive income}}{\text{Weighted average volume of financial investments in the period}}$

### Investment result

The value of financial investments was €276.2 million at year-end 2021 (€296.4 million in 2020).

Activity in the portfolio was fairly limited due to unfavorable market conditions for the investment grade bonds. Net investment return was €2.52 million (€2.25 million in 2020) in the income statement and -€2.56 million (€2.18 million in 2020) in other comprehensive income. The total investment return was +0.0% (1.4% in 2020) and -0.04m€ (4.43m€ in 2020) in absolute terms.

The prevailing low interest rate environment remains a challenge for the portfolio. There are also several uncertainties around the Eurozone economy as well as increasing geopolitical tensions ongoing. However, the investment focus has remained unchanged, i.e. new opportunities in the European investment grade bond markets are sought and to re-invest maturing bonds into medium term instruments are planned.

### Number of employees

As at 31 December 2021, the number of full-time employees was 550 (31.12.2020 547).

### Key activities of If P&C Insurance AS and its branches

If offers a complete range of P&C insurance products to private individuals and corporate customers in the Baltic countries. If is currently the fourth largest P&C insurer in the Baltic region combined.

In 2021, the branding communication concept was changed in order to define a closer relation to the brand promise of being the most caring insurance company. That is why the new slogan „By your side“ has been established.

If remains focused on developing easy-to-use products and services supported by smart digital solutions that simplify the process for the customer throughout the entire customer journey. Improvements in services are being made continuously, for instance by closing physical offices and adapting to a new pandemic reality, to ensure constant availability for the customers with 24/7 helpline and high-end digital services. In addition to digital channels and phone service, customers are also being supported by a strong network of brokers and partners.

Throughout these turbulent times, If has managed to maintain excellent service levels and according to the external research company Dive, If offers the best customer service among insurance companies. In excess of the number one position achieved in Estonia, If was among the top three in all other Baltic countries. Another achievement for If was the 2021 Confront ACE (Achievement in Customer Excellence) Award in the category “Voice of the Customer” which really confirms If’s customer focus. In 2021, Lithuanian business magazine Verslo Žinios selected If in Lithuania among the financial sector Top 3 leaders for the previous year achievements. Finance sector, including banks and insurance companies operating in the same sector were benchmarked with each other, assessing various indicators, such as pre-tax profit, income, their annual change, pre-tax profitability, average salary, change in return of assets, etc.

During 2021 If has started new partnership cooperation with Viveo Health OÜ in Estonia and Latvia. Through this partnership, If can provide a new health insurance addition to the customers called „e-Doctor“ which allows health insurance customers to receive telemedicine support via digital channels.

For years, If has been giving Christmas charity presents to people and activities that create more security to the society.

This year, If in Estonia purchased the light reflectors to keep wild animals off the road as cars approach. In Latvia, If had the opportunity to support people who help in the search for missing persons and in Lithuania, a donation to ambulance medics was made.

**STATEMENT OF COMPREHENSIVE INCOME Q4**

€000	Note	Q4 2021	Q4 2020
<b>PREMIUMS EARNED, NET OF REINSURANCE</b>			
Premiums earned, gross		42,166	38,280
Premiums ceded		-972	-911
<b>TOTAL</b>	2	<b>41,194</b>	<b>37,369</b>
<b>OTHER INCOME</b>			
Investment result	3	803	580
Reinsurance commissions and other income		81	82
<b>TOTAL</b>		<b>884</b>	<b>662</b>
<b>TOTAL REVENUE</b>		<b>42,078</b>	<b>38,031</b>
<b>CLAIMS INCURRED, NET OF REINSURANCE</b>			
Claims incurred, gross		-25,091	-22,679
Reinsurers' share of claims incurred		266	181
<b>TOTAL</b>	4	<b>-24,825</b>	<b>-22,498</b>
<b>EXPENSES</b>			
Insurance contract acquisition costs		-6,483	-6,200
Administrative expenses		-4,141	-3,641
<b>TOTAL</b>	5	<b>-10,624</b>	<b>-9,841</b>
<b>TOTAL CLAIMS AND EXPENSES</b>		<b>-35,449</b>	<b>-32,339</b>
<b>NET RESULT BEFORE TAXES</b>		<b>6,629</b>	<b>5,692</b>
INCOME TAX		-172	-3,880
<b>NET PROFIT FOR THE FINANCIAL PERIOD</b>		<b>-6,457</b>	<b>1,812</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS</b>			
Change in the value of available-for-sale assets		-1,965	2,227
<b>TOTAL</b>		<b>-1,965</b>	<b>2,227</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<b>4,492</b>	<b>4,039</b>

**STATEMENT OF COMPREHENSIVE INCOME**

€000	Note	2021	2020
<b>PREMIUMS EARNED, NET OF REINSURANCE</b>			
Premiums earned, gross		160,426	150,306
Premiums ceded		-4,364	-3,205
<b>TOTAL</b>	2	<b>156,062</b>	<b>147,101</b>
<b>OTHER INCOME</b>			
Investment result	3	2,521	2,252
Reinsurance commissions and other income		372	302
<b>TOTAL</b>		<b>2,893</b>	<b>2,554</b>
<b>TOTAL REVENUE</b>		<b>158,955</b>	<b>149,655</b>
<b>CLAIMS INCURRED, NET OF REINSURANCE</b>			
Claims incurred, gross		-98,016	-91,746
Reinsurers' share of claims incurred		611	449
<b>TOTAL</b>	4	<b>-97,405</b>	<b>-91,297</b>
<b>EXPENSES</b>			
Insurance contract acquisition costs		-24,569	-23,421
Administrative expenses		-14,912	-13,975
<b>TOTAL</b>	5	<b>-39,481</b>	<b>-37,396</b>
<b>TOTAL CLAIMS AND EXPENSES</b>		<b>-136,886</b>	<b>-128,693</b>
<b>NET RESULT BEFORE TAXES</b>		<b>22,069</b>	<b>20,962</b>
INCOME TAX		-3,899	-4,360
<b>NET PROFIT FOR THE FINANCIAL PERIOD</b>		<b>18,170</b>	<b>16,602</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS</b>			
Change in the value of available-for-sale assets		-2,558	2,180
<b>TOTAL</b>		<b>-2,558</b>	<b>2,180</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<b>15,612</b>	<b>18,782</b>



**STATEMENT OF FINANCIAL POSITION**

€000	Note	31 December 2021	31 December 2020
<b>ASSETS</b>			
Cash and cash equivalents		78,327	52,880
Financial investments	7	276,198	296,496
Receivables related to insurance activities	6	36,267	31,178
Accrued income and prepaid expenses		4,551	4,003
Reinsurance assets	9	6,260	5,786
Investment in subsidiary		88	88
Property, plant and equipment	8	3,641	3,160
<b>TOTAL ASSETS</b>		<b>405,332</b>	<b>393,591</b>
<b>LIABILITIES AND EQUITY</b>			
Liabilities related to insurance activities		7,705	7,644
Lease liabilities		3,471	2,779
Accrued expenses and deferred income		7,847	6,708
Deferred tax liability		40	75
Liabilities arising from insurance contracts	9	208,616	196,144
<b>Total liabilities</b>		<b>227,679</b>	<b>213,350</b>
Share capital		6,391	6,391
Share premium		3,679	3,679
Mandatory capital reserve		2,362	2,362
Fair value reserve		4,710	7,268
Retained earnings		142,341	143,939
Net profit for the year		18,170	16,602
<b>Total equity</b>		<b>177,653</b>	<b>180,241</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>405,332</b>	<b>393,591</b>

## STATEMENT OF CHANGES IN EQUITY

€000

	Share capital	Share premium	Mandatory capital reserve	Fair value reserve	Retained earnings	Net profit for the year	Total equity
<b>At 1 January 2020</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>5,088</b>	<b>163,439</b>	-	<b>180,959</b>
Dividends paid <sup>1)</sup>	-	-	-	-	-19,500	-	<b>-19,500</b>
Other comprehensive income	-	-	-	2,180	-	-	<b>2,180</b>
Net profit for the year	-	-	-	-	-	16,602	<b>16,602</b>
<b>At 31 December 2020</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>7,268</b>	<b>143,939</b>	<b>16,602</b>	<b>180,241</b>
<b>At 1 January 2021</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>7,268</b>	<b>160,541</b>	-	<b>180,241</b>
Dividends paid <sup>1)</sup>	-	-	-	-	-18,200	-	<b>-18,200</b>
Other comprehensive income	-	-	-	-2,558	-	-	<b>-2,558</b>
Net profit for the year	-	-	-	-	-	18,170	<b>18,170</b>
<b>At 31 December 2021</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>4,710</b>	<b>142,341</b>	<b>18,170</b>	<b>177,653</b>

- <sup>1)</sup> In March 2021, the Company distributed 18.2 million euros (2020: 19.5 million euros) in dividends to the sole shareholder. In accordance with the Estonian Income Tax Act, income tax cost in amount of 3.6 million euros on the dividend distributed from the profit earned by the Company in Estonia, is recognized in the period of dividend payment, therefore related income tax expense appeared in the statement of comprehensive income. Dividend distributed from the profit earned by Latvian or Lithuanian branches is taxed in the respective country and is exempt from the corporate income tax in Estonia when distributing further to the sole shareholder of the Company.

**STATEMENT OF CASH FLOWS**

€000	Note	2021	2020
<b>Cash flow from operating activities</b>			
<b>Cash flow from insurance operations</b>			
Premiums received	2	164,383	151,579
Premiums ceded	2	-4,495	-2,571
Claims paid, incl. claims handling expenses	4, 5	-94,239	-80,481
Cash flow from reinsurance		433	344
Employee-related and service-related expenses		-38,465	-35,626
<b>TOTAL</b>		<b>27,617</b>	<b>33,245</b>
<b>Cash flow from asset management</b>			
Investments in bonds and other interest-bearing securities		-18,907	-85,379
Proceeds from disposals of bonds and other interest-bearing securities		32,078	100,114
Investments in term deposits		-	-5,000
Proceeds from term deposits		5,000	15,000
Interest received		3,284	2,507
Interest paid		-8	-10
<b>TOTAL</b>		<b>21,447</b>	<b>27,232</b>
Income tax paid		-4,114	-4,508
<b>Net cash flow from operating activities</b>		<b>44,951</b>	<b>55,969</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment		-59	-205
Proceeds from disposal of property, plant and equipment		-	1
<b>Net cash flow from investing activities</b>		<b>-59</b>	<b>-204</b>
<b>Cash flow from financing activities</b>			
Dividends paid		-18,200	-19,500
Repayment of lease liability		-1,244	-1,353
<b>Net cash flow from financing activities</b>		<b>-19,444</b>	<b>-20,853</b>
<b>Change in cash flow</b>		<b>25,447</b>	<b>34,912</b>
<b>Cash and cash equivalents at beginning of reporting period</b>		<b>52,880</b>	<b>17,968</b>
<b>Cash and cash equivalents at end of reporting period</b>		<b>78,327</b>	<b>52,880</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### Note 1. Accounting principles and basis of estimations used in the preparation of the financial statements

This interim report has been prepared in conformity with the IAS 34 “Interim Financial Reporting” requirements for condensed interim financial statements.

The If P&C Insurance AS annual report for the financial year ended 31 December 2021 was prepared in conformity with the IFRS and the interpretations issued by IFRIC, which have been approved by the EU. The applied standards and interpretations are described in Company’s accounting policies for the financial year 2021. The financial statements are available on Company’s website at [www.if.ee](http://www.if.ee).

Though the company forms the group together with its subsidiary Support Services AS and is the consolidating entity, the Company has elected in accordance with IFRS 10 paragraph 4 not to present consolidated financial statements and presented only separate financial statements. The Company is a wholly-owned subsidiary of If P&C Insurance Holding Ltd (publ) and the parent produces consolidated financial statements available for public use that comply with International Financial Reporting Standards (IFRS). Consolidated financial statements of the parent are available at websites [www.if.se](http://www.if.se) and [www.sampo.com](http://www.sampo.com) under section *Figures-Annual report*.

### Note 2. Premiums earned, net of reinsurance

€000	2021	2020
Premiums written, gross	168,756	152,242
Change in the provision for unearned premiums	-8,330	-1,936
<b>Premiums earned, gross</b>	<b>160,426</b>	<b>150,306</b>
Reinsurance premiums	-4,513	-3,509
Change in the provision for unearned premiums	149	304
<b>Premiums ceded</b>	<b>-4,364</b>	<b>-3,205</b>
<b>TOTAL</b>	<b>156,062</b>	<b>147,101</b>

**Note 3. Investment result**

<b>€000</b>	<b>2021</b>	<b>2020</b>
<u>Interest income/expense on:</u>		
<b>Available-for-sale financial assets</b>		
Bonds and other interest-bearing securities	2,974	2,988
<b>Loans and receivables</b>		
Term deposits	-	7
Cash and cash equivalents	1	1
<b>Lease liabilities</b>	-8	-10
<b>TOTAL</b>	<b>2,967</b>	<b>2,986</b>
<u>Gain from the disposal of:</u>		
<b>Available-for-sale financial assets</b>		
Bonds and other interest-bearing securities	506	263
<b>TOTAL</b>	<b>506</b>	<b>263</b>
<u>Gain/loss from the change in the value of:</u>		
<b>Exchange rate changes</b>	-67	-50
<b>TOTAL</b>	<b>-67</b>	<b>-50</b>
<b>Investment expenses</b>	<b>-885</b>	<b>-947</b>
<b>TOTAL INVESTMENT RESULT</b>	<b>2,521</b>	<b>2,252</b>
<b>Reconciliation of the fair value reserve of available-for-sale financial assets</b>		
	<b>2021</b>	<b>2020</b>
<b>Opening balance, available-for-sale financial assets</b>	<b>7,268</b>	<b>5,088</b>
Changes in fair value during the year, recognised in other comprehensive income	-2,052	2,443
Realised gain recognised in profit or loss	-506	-263
<b>Closing balance, available-for-sale financial assets</b>	<b>4,710</b>	<b>7,268</b>
 Change in the fair value reserve of available-for-sale financial assets during the year	 -2,558	 2,180

**Note 4. Claims incurred, net of reinsurance**

<b>€000</b>	<b>2021</b>	<b>2020</b>
<b>Gross</b>		
Claims paid related to the reporting period	-77,063	-64,252
Claims paid related to previous periods	-22,030	-20,653
Amounts recovered from salvage and subrogation	9,900	8,550
Change in the provision for claims outstanding	-4,142	-10,915
Claims handling expenses	-4,681	-4,476
<b>TOTAL</b>	<b>-98,016</b>	<b>-91,746</b>
<b>Reinsurers' share</b>		
Claims paid related to the reporting period	104	67
Claims paid related to previous periods	181	25
Change in the provision for claims outstanding	326	357
<b>TOTAL</b>	<b>611</b>	<b>449</b>
<b>Net</b>		
Claims paid related to the reporting period	-76,959	-64,185
Claims paid related to previous periods	-21,849	-20,628
Amounts recovered from salvage and subrogation	9,900	8,550
Change in the provision for claims outstanding	-3,816	-10,558
Claims handling expenses	-4,681	-4,476
<b>TOTAL</b>	<b>-97,405</b>	<b>-91,297</b>

**Note 5. Expenses**

€000	2021	2020
Salaries and remuneration	-19,496	-18,454
Social security costs	-4,073	-3,939
Other personnel expenses	-1,522	-1,279
<b>Total personnel expenses</b>	<b>-25,091</b>	<b>-23,672</b>
Commissions to intermediaries	-9,301	-9,089
Data processing	-2,999	-2,731
Expenses on premises	-1,976	-2,159
Office expenses (incl. communication expenses)	-671	-692
Other operating expenses	-4,124	-3,529
<b>TOTAL</b>	<b>-44,162</b>	<b>-41,872</b>

**Division of costs on the basis of functions:**

Insurance contract acquisition costs	-24,569	-23,421
Administrative expenses	-14,912	-13,975
Claims handling expenses	-4,681	-4,476
<b>TOTAL</b>	<b>-44,162</b>	<b>-41,872</b>

**Note 6. Receivables related to insurance activities**

€000	31 Dec 2021	31 Dec 2020
Receivables related to direct insurance activities, incl.	35,849	30,947
- policyholders	30,658	26,846
- intermediaries	2,776	2,263
- subrogation with significant recoverability	1,680	1,362
- salvages	331	279
- other	404	197
Receivables related to reinsurance	291	159
- incl. from related parties	29	-
Other receivables	127	72
<b>TOTAL</b>	<b>36,267</b>	<b>31,178</b>

**Note 7. Financial investments**

€000	31 Dec 2021	31 Dec 2020
<b>Available-for-sale financial assets</b>		
Bonds and other interest-bearing securities		
- listed	267,599	280,211
- unlisted	8,599	11,279
Incl. with a floating interest rate	8,224	4,226
Incl. with a fixed interest rate (0.125 -3.0%; 31.12.2020: 0.125%-3.0%)	267,974	287,264
<b>TOTAL</b>	<b>276,198</b>	<b>291,490</b>
<b>Loans and receivables</b>		
Term deposits	-	5,006
<b>TOTAL FINANCIAL INVESTMENTS</b>	<b>276,198</b>	<b>296,496</b>

**Bonds and other interest-bearing securities by issuers**

€000	31 Dec 2021	31 Dec 2020
Issued by Estonian financial institutions	3,850	3,855
Issued by Estonian companies	1,522	1,535
Issued by foreign governments	2,571	2,639
Issued by foreign financial institutions	113,150	117,554
Issued by foreign companies	155,105	165,907
<b>TOTAL</b>	<b>276,198</b>	<b>291,490</b>

**Ratings of bond issuers (S&P)**

	Percentage of fair value	
	31 Dec 2021	31 Dec 2020
AAA	2.2%	2.1%
AA+ until AA-	8.7%	9.0%
A+ until A-	15.4%	18.6%
BBB+ until BBB-	50.4%	50.5%
BB	1.8%	2.4%
Non rated	21.5%	17.4%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

**Bonds and other interest-bearing securities by maturity terms**

€000	31 Dec 2021	31 Dec 2020
Up to 1 year	20,184	10,530
1-2 years	62,109	34,251
2-5 years	160,957	187,426
5-10 years	32,948	59,283
<b>TOTAL</b>	<b>276,198</b>	<b>291,490</b>



**Deposits by maturity terms**

€000	31 Dec 2021	31 Dec 2020
Up to 6 months	-	5,006
6-12 months	-	-
<b>TOTAL</b>	<b>-</b>	<b>5,006</b>

**Note 8. Property, plant and equipment**

€000	Right-of-use: Buildings	Other PPE	TOTAL
<b>Net book value as at 31 December 2019</b>	<b>3,915</b>	<b>650</b>	<b>4 565</b>
Acquisition	209	205	414
Disposal	-	-851	-851
Sales	-	-35	-35
Acquisition cost as at 31 December 2020	5,389	1,578	6,967
-incl. fully depreciated	-	873	873
Depreciation charge for the year	-1,356	-319	-1,675
Depreciation charge of sales and disposals	-	741	741
Accumulated depreciation as at 31 December 2020	-2,621	-1,186	-3,807
<b>Net book value as at 31 December 2020</b>	<b>2,768</b>	<b>392</b>	<b>3,160</b>
Acquisition	1,936	60	1,996
Write-off	-	-365	-365
Sales	-	-12	-12
Acquisition cost as at 31 December 2021	7,325	1,262	8,587
-incl. fully depreciated	-	947	947
Depreciation charge for the year	-1,227	-151	-1,378
Depreciation charge of sales	-	240	240
Accumulated depreciation as at 31 December 2021	-3,848	-1,098	-4,946
<b>Net book value as at 31 December 2021</b>	<b>3,477</b>	<b>164</b>	<b>3,641</b>

**Note 9. Liabilities arising from insurance contracts and reinsurance assets**

€000	31 Dec 2021	31 Dec 2020
<b>Gross</b>		
Provision for incurred and reported claims and claims handling expenses	107,640	96,616
Provision for incurred but not reported claims	28,089	34,971
Provision for unearned premiums	72,887	64,557
<b>TOTAL</b>	<b>208,616</b>	<b>196,144</b>
<b>Reinsurer's share</b>		
Provision for incurred and reported claims and claims handling expenses	4,889	4,599
7Provision for incurred but not reported claims	270	235
Provision for unearned premiums	1,101	952
<b>TOTAL</b>	<b>6,260</b>	<b>5,786</b>
<b>Net</b>		
Provision for incurred and reported claims and claims handling expenses	102,751	92,017
Provision for incurred but not reported claims	27,819	34,736
Provision for unearned premiums	71,786	63,605
<b>TOTAL</b>	<b>202,356</b>	<b>190,358</b>

**Note 10. Related party transactions**Related parties

The company's shareholders, enterprises under the joint control of or enterprises controlled by the company, the company's staff, Management Board and Supervisory Board members, their close relatives and other individuals over whom the above persons have significant influence, are considered related parties.

Transactions with members of the Management Board and members of the Supervisory Board

The Management Board members received a total of €1,335 thousand in remuneration, including social tax (2020: €1,005 thousand). During the reporting period, no severance fee was paid to Management Board members (2020: €73 thousand). No remuneration was paid to members of the Supervisory Board.

Insurance contracts with total premiums of €9 thousand were concluded with the management individuals in the financial period (2020: €9 thousand).

Reinsurance transactions with group companies

The company has concluded reinsurance contracts with If P&C Insurance Ltd (publ).

€000	Calculated reinsurance premiums		Indemnifications and commissions received	
	2021	2020	2021	2020
If P&C Insurance Ltd (publ)	2,307	1,994	43	13

Receivables and payables related to the above transactions as at:

€000	31 Dec 2021	31 Dec 2020
<b>Receivables</b>		
If P&C Insurance Ltd (publ)	29	-

€000	31 Dec 2021	31 Dec 2020
<b>Payables</b>		
If P&C Insurance Ltd (publ)	913	1,222

Other related party transactions, transactions with other group companies

€000	Services purchased		Services rendered	
	2021	2020	2021	2020
Mandatum Life Insurance Baltic SE	-	-	12	9
Nordea Group companies	96	54	-	-
If P&C Insurance Ltd (publ)	86	11	232	243
Sampo plc	436	667	-	-
If IT Services A/S	497	531	-	-
<b>Total</b>	<b>1,115</b>	<b>1,263</b>	<b>244</b>	<b>252</b>

There are no receivables but following payables related to the above transactions as at:

€000	31 Dec 2021	31 Dec 2020
<b>Payables</b>		
Mandatum Life Insurance Baltic SE	-	1
Sampo plc	-	169
If P&C Insurance Ltd (publ)	68	11
If IT Services A/S	57	63
<b>Total</b>	<b>125</b>	<b>244</b>

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If Insurance has acquired financial assets and has earned investment income from the following group companies:

<b>€000</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
<b>Financial assets</b>		
Nordea Group companies	5,100	5,160

<b>€000</b>	<b>2021</b>	<b>2020</b>
<b>Investment income/expense</b>		
Nordea Group companies	45	45