

*If P&C Insurance AS*

**Interim Report**

**4<sup>th</sup> Quarter 2015**

**Translation from Estonian language**

**Contacts and signatures**

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

Business name: *If P&C Insurance AS*  
Registry code: *10100168*  
Address: *Lõõtsa 8a, 11415 Tallinn*  
Telephone: *6671 100*  
E-mail: *info@if.ee*  
Web page: *www.if.ee*  
Beginning of reporting period: *1 January 2015*  
End of reporting period: *31 December 2015*  
CEO: *Andris Morozovs*  
Auditor: *Ernst & Young Baltic AS*

If P&C Insurance AS management board have compiled 4<sup>th</sup> quarter 2015 interim report which is presented on pages 6 - 19.

Member of the Management Board	Heinar Olak	/Signature/	29.02.2016
Member of the Management Board	Artur Praun	/Signature/	29.02.2016

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## EXPLANATORY NOTE

If P&C Insurance AS (the company or If Insurance) is fully owned by the leading Nordic non-life insurance group If P&C Insurance Holding Ltd, which is owned by Sampo Plc., a Finnish listed company on the Helsinki Stock Exchange. In addition to the non-life insurance operations conducted within If, the Sampo Group also conducts life insurance operations.

The company is registered in Estonia and also operates branches in Latvia and Lithuania. The current corporate structure contributes to making operations more efficient and improving claims handling processes even further in the Baltic region. The company's business divisions cover all of the Baltic States together, but each country has its own sales and customer service divisions in order to allow the company better adapt to its customers' needs and practices.

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 from operations in 2015

Despite uncertainties in the global economy, the Baltics have experienced economic growth. The good result development continued in If.

In 2015, the insurance operations result increased in comparison with the year before to €17.3 million (2014: €15.5 million). Increase in the insurance operations result was supported by premium growth and lower operating costs. Claims outcome in 2015 was on an estimated level but higher than the extraordinary low claims outcome in the year before. Large claims outcome was as expected and in Motor lines both average cost per claim and claims frequency increased.

### Premium written

The Company's gross written premiums increased by €10.6 million to €133.2 million (2014: €122.6 million). Premium volumes increased in Estonia and Lithuania. Premium volume in Latvia was stable. Growth was noted primarily in the motor, large accounts, accident and health segments.

### Claims and operating expenses

Claims cost, including claims handling costs, increased €8.5 million to €75.4 million (2014: € 66.9 million).

The loss ratio, including claims handling costs, deteriorated during 2015 and amounted to 59.6% (2014: 56.4%). Loss ratios improved in Property products and Liability due to lower level of large claims and mild winter weather. Motor products deteriorated due to both increased average cost per claim and claims frequency.

Operating expenses, excluding claims handling costs, decreased by €2.4 million to €33.9 million (2014: €36.2 million). The company's expense ratio decreased to 26.8% (2014: 30.5%).

The combined ratio decreased to 86.4% (2014: 87.0 %).

### Net profit and tax

Net profit after tax ended at €19.9 million in 2015 (2014: €17.0 million). Current tax accounted for €0.81 million (2014: €0.93 million).

### Investment result

The total assets increased from €245.2 million at the beginning of the year to €265.1 million as of 31 December 2015. Financial assets (€235.6 million as at 31 December 2015) are €109.6 million higher than the obligations under insurance contracts net of reinsurance, resulting in a strong solvency position.

The reporting quarter was characterized by low activity of transactions and portfolio allocation was

unchanged: the weight of money market instruments was 18% and credit instruments weight was 82%. Earnings from asset management, measured at mark-to-market, amounted to €2.52 million (2014: €4.88 million), and the return on investment was 1.1% (2014: 2.3%). Net investment return amounted to €3.49 million (2014: €2.46 million) in the income statement, and €-0.97 million (2014: €2.42 million) in the other comprehensive income. Fixed income portfolio running yield has dropped to 0.9% (31.12.2014: 1.0%) and duration has declined as at the end of December 1.2 years (31.12.2014: 1.7 years).

In terms of outlook, the aim is to sell money market instruments by increasing investments into credit bonds.

#### **Number of employees and workforce expenses**

On 31st December 2015 the number of full time employees in the company was 545 (2014: 544). The company's expenses for personnel totalled €19.0 million in 2015, an increase of €1.3 million over the year (2014: €17.7 million).

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

If provides a complete range of P&C insurance products to corporate and private customers in the Baltics. If works directly via salespoints, telephone and internet, as well as through brokers and partners. If has sales and customer service offices in main towns. If has the second largest insurance portfolio among all P&C insurance providers in the Baltic States. The number of If customers in the Baltics is approximately 335,000 including both private and corporate customers.

One of the fastest growing sales channels is Internet sales. In 2015, Internet sales were over 200,000 policies, which is 9.3% growth compared to 2014. During 2015, If continued to invest into the Internet and is committed to bringing additional customer friendly solutions to customers.

If has continued to develop its partner sales channel by product development and development of systems in 2015.

Volumes from the strategic partnership with Nordea Banking Group continued to develop in 2015. The partnership is benefitting from both Nordea and If strong customer offers and is appreciated by customers.

A key goal for If is to create the best customer experience in all types of contacts, particularly in cases where customers are affected by an insurance claim. Each claim case is monitored and the person reporting the claim is able to grade how he or she was dealt with and comment on the service received. The surveys show that the customers who have had an insurance claim are even more satisfied with If than those who have never reported a claim. If customers' loyalty metric NPS (Net Promoter Score) has risen to +67.3% in 2015 (2014: +62.5%).

As a leading insurance company in the Baltics, If is aware of its social responsibility. Through sponsorships and funding, the company is making consistent contributions to different projects related to claims prevention. If is also raising awareness of insurance products in society, especially in areas where insurance coverage is low or, in many cases, non-existent.

If has continued in its path to improve efficiency and benefit from common IT systems. In 2015 some old national systems were closed and replaced by modern common IT solutions with support for customers' Internet access.

After the successful launch of the Euro in Latvia on 1.1.2014, based on experience and knowledge from Estonian and Latvian euro introductions, If managed to combine secure approach and low implementation cost for Euro introduction in Lithuania.

## STATEMENT OF COMPREHENSIVE INCOME Q IV

€000	Note	Q IV 2015	Q IV 2014
<b>REVENUE</b>			
<b>PREMIUMS EARNED, NET OF REINSURANCE</b>			
Premiums earned		33,803	30,891
Premiums ceded		-976	-944
<b>TOTAL</b>	2	<b>32,827</b>	<b>29,947</b>
<b>OTHER INCOME</b>			
Reinsurance commissions		28	19
Return on investments	3	2,396	335
Other income		17	30
<b>TOTAL</b>		<b>2,441</b>	<b>384</b>
<b>TOTAL REVENUE</b>		<b>35,268</b>	<b>30,331</b>
<b>EXPENSES</b>			
<b>CLAIMS INCURRED, NET OF REINSURANCE</b>			
Claims incurred, gross	4	-19,297	-18,600
Reinsurer's share in claims paid	4	-248	781
<b>TOTAL</b>		<b>-19,545</b>	<b>-17,819</b>
<b>EXPENSES</b>			
Insurance contract acquisition costs	5	-6,116	-6,670
Administrative expenses	5	-3,347	-6,281
<b>TOTAL</b>		<b>-9,463</b>	<b>-12,951</b>
<b>TOTAL EXPENSES</b>		<b>-29,008</b>	<b>-30,770</b>
<b>NET RESULT BEFORE TAXES</b>		<b>6,260</b>	<b>-439</b>
INCOME TAX		-184	51
<b>NET PROFIT FOR THE FINANCIAL PERIOD</b>		<b>6,076</b>	<b>-388</b>
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED IN SUBSEQUENT PERIODS:</b>			
Change in the value of available-for-sale assets		-156	153
Exchange differences on translating foreign operations		-	-3
<b>TOTAL</b>		<b>-156</b>	<b>150</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<b>5,920</b>	<b>-238</b>

## STATEMENT OF COMPREHENSIVE INCOME

€000	Note	2015	2014
<b>REVENUE</b>			
<b>PREMIUMS EARNED, NET OF REINSURANCE</b>			
Premiums earned		129,531	121,777
Premiums ceded		-2,986	-3,130
<b>TOTAL</b>	2	<b>126,545</b>	<b>118,647</b>
<b>OTHER INCOME</b>			
Reinsurance commissions		210	203
Return on investments	3	3,485	2,460
Other income		66	132
<b>TOTAL</b>		<b>3,761</b>	<b>2,795</b>
<b>TOTAL REVENUE</b>		<b>130,306</b>	<b>121,442</b>
<b>EXPENSES</b>			
<b>CLAIMS INCURRED, NET OF REINSURANCE</b>			
Claims incurred, gross	4	-75,750	-67,316
Reinsurer's share in claims paid	4	316	370
<b>TOTAL</b>		<b>-75,434</b>	<b>-66,946</b>
<b>EXPENSES</b>			
Insurance contract acquisition costs	5	-22,444	-22,065
Administrative expenses	5	-11,694	-14,488
<b>TOTAL</b>		<b>-34,138</b>	<b>-36,553</b>
<b>TOTAL EXPENSES</b>		<b>-109 572</b>	<b>-103,499</b>
<b>NET RESULT BEFORE TAXES</b>		<b>20,734</b>	<b>17,943</b>
INCOME TAX		-809	-927
<b>NET PROFIT FOR THE FINANCIAL PERIOD</b>		<b>19,925</b>	<b>17,016</b>
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED IN SUBSEQUENT PERIODS:</b>			
Change in the value of available-for-sale assets		-966	2,419
Exchange differences on translating foreign operations		-	-3
<b>TOTAL</b>		<b>-966</b>	<b>2,416</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<b>18,959</b>	<b>19,432</b>

## STATEMENT OF FINANCIAL POSITION

€000	Note	31.12.2015	31.12.2014
<b>ASSETS</b>			
Cash and cash equivalents		10,115	3,353
Financial investments	6	235,574	223,279
Receivables related to insurance activities		12,195	10,762
Accrued income and prepaid expenses		3,947	3,682
Reinsurance assets	8	2,308	3,044
Deferred tax asset		152	170
Shares in subsidiary		88	88
Property, plant and equipment	7	765	788
<b>TOTAL ASSETS</b>		<b>265,144</b>	<b>245,166</b>
<b>LIABILITIES AND OWNER'S EQUITY</b>			
Liabilities related to insurance activities		5,553	5,455
Accrued expenses and prepaid revenues		4,517	4,625
Liabilities arising from insurance contracts	8	128,317	121,488
<b>Total liabilities</b>		<b>138,387</b>	<b>131,568</b>
Share capital		6,391	6,391
Share premium		3,679	3,679
Mandatory reserve		2,362	2,362
Revaluation reserve		1,421	2,387
Retained earnings		92,979	81,763
Net profit for the year		19,925	17,016
<b>Total owner's equity</b>		<b>126,757</b>	<b>113,598</b>
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>		<b>265,144</b>	<b>245,166</b>



## STATEMENT OF CHANGES IN EQUITY

€000

	Share capital	Share premium	Mandatory reserve	Revaluation reserve		Retained earnings	Net profit for the year	Total equity
				Available-for-sale-financial assets	Foreign currency translation reserve			
<b>Equity at beginning of 2014</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>-32</b>	<b>3</b>	<b>84,760</b>	<b>-</b>	<b>97,163</b>
Paid dividends <sup>1)</sup>	-	-	-	-	-	-3,000	-	<b>-3,000</b>
Other comprehensive income	-	-	-	2,419	-3	3	-	<b>2,419</b>
Profit for the year	-	-	-	-	-	-	17,016	<b>17,016</b>
<b>Equity at end of 2014</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>2,387</b>	<b>-</b>	<b>81,763</b>	<b>17 016</b>	<b>113,598</b>
<b>Equity at beginning of 2015</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>2,387</b>	<b>-</b>	<b>98,779</b>	<b>-</b>	<b>113,598</b>
Paid dividends <sup>1)</sup>	-	-	-	-	-	-5,800	-	<b>-5,800</b>
Other comprehensive income	-	-	-	-966	-	-	-	<b>-966</b>
Profit for the year	-	-	-	-	-	-	19,925	<b>19,925</b>
<b>Equity at end of December 2015</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>1,421</b>	<b>-</b>	<b>92,979</b>	<b>19,925</b>	<b>126,757</b>

- <sup>1)</sup> In March 2015, the Company distributed 5,800,000 euros (2014: 3,000,000 euros) in dividends to the sole shareholder. The company pays dividends from the profits made by its Latvian and Lithuanian branches. In accordance with the Estonian Income Tax Act, dividends paid from profit earned through an Estonian company's permanent establishment located in an EEA state or Switzerland and taxed there are exempt from income tax.

## STATEMENT OF CASH FLOWS

€000	Note	2015	2014
<b>Cash flow from operating activities</b>			
Premiums received	2	132,472	123,164
Premiums ceded	2	-2,867	-2,995
Claims paid, incl. claims handling expenses	4, 5	-73,309	-65,969
Cash flow from reinsurance		1,410	963
Employee-related and service-related expenses		-34,480	-30,554
Investments in bonds and other interest-bearing securities		-131,630	-110,422
Proceeds from disposals of bonds and other interest-bearing securities		118,915	85,255
Investments in term deposits		-36,000	-46,400
Proceeds from term deposits		34,700	50,100
Dividend received		2,000	-
Interest received		2,853	2,282
Paid income tax		-1,164	-576
<b>Cash flow operating activities, total</b>		<b>12,900</b>	<b>4,848</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	7	-344	-1,492
Proceeds from disposal of property, plant and equipment		6	185
<b>Cash flow from investing activities, total</b>		<b>-338</b>	<b>-1,307</b>
<b>Cash flow from financing activities</b>			
Paid dividends		-5,800	-3,000
<b>Cash flow from financing activities</b>		<b>-5,800</b>	<b>-3,000</b>
Change in cash flow		6,762	541
Cash and cash equivalents at the beginning of the year		3,353	2,812
<b>Cash and cash equivalents at the end of the year</b>		<b>10,115</b>	<b>3,353</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 2014 was prepared in conformity with the IFRS and the interpretations issued by IFRIC, which have been approved by the EU. The same accounting policies were applied in preparing the fourth quarter of 2015 interim report.

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 Holding Ltd (Sweden) 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	2015	2014
Premiums written, gross	133,200	122,574
Change in the provision for unearned premiums	-3,669	-797
<b>Premiums earned, gross of reinsurance</b>	<b>129,531</b>	<b>121,777</b>
Reinsurance premiums	-3,040	-2,978
Change in the provision for unearned premiums	54	-152
<b>Premiums earned, ceded</b>	<b>-2,986</b>	<b>-3,130</b>
<b>TOTAL</b>	<b>126,545</b>	<b>118,647</b>

**Note 3. Return on investments**

<b>€000</b>	<b>2015</b>	<b>2014</b>
<u>Interest income/expense</u>		
<b>Financial assets at fair value through profit and loss</b>		
<i>Classified as held for trading</i>		
From bonds and other interest-bearing securities	1,306	1,231
<b>Available-for-sale financial assets</b>		
From bonds and other interest-bearing securities	1,366	1,345
<b>Loans and receivables</b>		
From deposits	31	66
From cash and cash equivalents	1	2
<b>TOTAL</b>	<b>2,704</b>	<b>2,644</b>
<u>Profit from disposals</u>		
<b>Financial assets at fair value through profit or loss</b>		
<i>Classified as held for trading</i>		
From bonds and other fixed income securities	215	9
<b>Available-for-sale financial assets</b>		
From bonds and other interest-bearing securities	154	72
<b>TOTAL</b>	<b>369</b>	<b>81</b>
<u>Loss from disposals</u>		
<b>Financial assets at fair value through profit or loss</b>		
<i>Classified as held for trading</i>		
From bonds and other interest-bearing securities	-1	-497
<b>TOTAL</b>	<b>-1</b>	<b>-497</b>
<u>Profit/loss from change in fair value</u>		
<b>Financial assets at fair value through profit or loss</b>		
<i>Classified as held for trading</i>		
From bonds and other fixed income securities	-975	798
<b>TOTAL</b>	<b>-975</b>	<b>798</b>
Dividend from shares in subsidiary	2,000	-
Investment expenses	-612	-566
<b>TOTAL RETURN ON INVESTMENTS</b>	<b>3,485</b>	<b>2,460</b>

<b>Reconciliation of fair value reserve of available-for-sale financial assets</b>	<b>2015</b>	<b>2014</b>
Opening balance, available-for-sale financial assets	2,387	-32
Changes in fair value during the year, recognized in comprehensive income	-966	2,419
Closing balance, available-for-sale financial assets	<b>1,421</b>	<b>2,387</b>

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

<b>€000</b>	<b>2015</b>	<b>2014</b>
<b>Gross</b>		
Claims paid during the year related to that year	-59,474	-50,191
Claims paid related to previous years	-17,615	-17,162
Amounts recovered from salvage and recourses	8,443	5,368
Change in the provision for claims outstanding	-3,159	-1,266
Claims handling costs	-3,945	-4,065
<b>TOTAL</b>	<b>-75,750</b>	<b>-67,316</b>
<b>Reinsurer's share</b>		
Claims paid during the year related to that year	2	45
Claims paid related to previous years	1,104	502
Change in the provision for claims outstanding	-790	-178
<b>TOTAL</b>	<b>316</b>	<b>369</b>
<b>Net</b>		
Claims paid during the year related to that year	-51,029	-44 778
Claims paid related to previous years	-16,511	-16 659
Claims handling costs	-3,945	-4 065
Change in the provision for claims outstanding	-3,949	-1 444
<b>TOTAL</b>	<b>-75,434</b>	<b>-66,946</b>

**Note 5. Operating expenses**

<b>€000</b>	<b>2015</b>	<b>2014</b>
Personnel expenses	-19,016	-17,662
Commissions to intermediaries	-10,279	-9,764
Data processing	-2,563	-7,148
<i>-incl. impairment charge of intangible assets</i>	-	-4 537
Expenses on premises	-2,083	-2,257
Office expenses (incl. communication expenses)	-1,030	-1,046
Other operating expenses	-3,112	-2,741
<b>TOTAL</b>	<b>-38,083</b>	<b>-40,618</b>

*Division of costs on the basis of functions:*

Insurance contract acquisition costs	-22,444	-22,065
Administrative expenses	-11,694	-14,488
Claims handling expenses	-3,945	-4,065
<b>TOTAL</b>	<b>-38,083</b>	<b>-40,618</b>

**Note 6. Financial investments**

<b>€000</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
<b>Financial assets measured at fair value through profit and loss</b>		
<i>Classified as held for trading</i>		
Bonds and other interest-bearing securities		
- listed	41,621	42,631
incl. with a fixed interest rate (2.375%-5.5%; 31.12.2014: 2,375% -5,5%)	41,621	42,631
<b>TOTAL</b>	<b>41,621</b>	<b>42,631</b>
<b>Available-for-sale financial assets</b>		
From bonds and other interest-bearing securities		
- listed	150,438	98,219
- unlisted	19,000	59,222
incl. with a floating interest rate	106,638	21,077
incl. with a fixed interest rate (0.03%-3.75%; 31.12.2014: 0.0%-3.75%)	62,800	136,364
<b>TOTAL</b>	<b>169,438</b>	<b>157,441</b>

€000	31.12.2015	31.12.2014
<b>Loans and receivables</b>		
Term deposits	24,515	23,207
<b>TOTAL</b>	<b>24,515</b>	<b>23,207</b>
<b>FINANCIAL INVESTMENTS TOTAL</b>	<b>235,574</b>	<b>223,279</b>

Term deposits earn an annual interest 0.18-0.25% (as of 31.12.2014: 0.11-0.14%).

**Division of bonds and other fixed income securities  
by issuers**

€000	31.12.2015	31.12.2014
Issued by Estonian companies	4,406	4,455
Issued by foreign governments	-	29,212
Issued by foreign financial institutions	124,276	114,233
Issued by foreign companies	82,377	52,172
<b>TOTAL</b>	<b>211,059</b>	<b>200,072</b>

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

	Percentage of fair value	
	31.12.2015	31.12.2014
AAA	7.4%	11.3%
AA+ until AA-	33.2%	49.1%
A+ until A-	29.8%	12.9%
BBB+ until BBB-	22.7%	19.4%
BB	0.5%	0.6%
Non rated	6.4%	6.7%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

**Division of bonds and other fixed income securities by maturity terms**

€000	31.12.2015	31.12.2014
up to 1 year	32,546	72,256
1-2 years	43,843	34,470
2-5 years	122,602	81,175
5-10 years	12,068	12,171
<b>TOTAL</b>	<b>211,059</b>	<b>200,072</b>

**Note 7. Property, plant and equipment**

€000	Land	Buildings	Other PPE	TOTAL
<b>Net book value 31.12.2013</b>	<b>2</b>	<b>77</b>	<b>602</b>	<b>681</b>
Acquisition	-	-	541	<b>541</b>
Write-off	-	-	-415	<b>-415</b>
Disposal	-2	-142	-331	<b>-475</b>
Acquisition cost 31.12.2014	-	-	3,045	<b>3,045</b>
-incl. fully depreciated	-	-	1,783	<b>1,783</b>
Depreciation charge for the year	-	-2	-330	<b>-332</b>
Depreciation charge of sales and disposals	-	67	722	<b>789</b>
Accumulated depreciation 31.12.2014	-	-	-2,257	<b>-2,257</b>
<b>Net book value 31.12.2014</b>	<b>-</b>	<b>-</b>	<b>788</b>	<b>788</b>
Acquisition	-	-	347	<b>347</b>
Write-off	-	-	-411	<b>-411</b>
Disposal	-	-	-75	<b>-75</b>
Acquisition cost 31.12.2015	-	-	2,906	<b>2,906</b>
-incl. fully depreciated	-	-	1,639	<b>1,639</b>
Depreciation charge for the year	-	-	-340	<b>-340</b>
Depreciation charge of sales and disposals	-	-	455	<b>455</b>
Accumulated depreciation 31.12.2015	-	-	-2,141	<b>-2,141</b>
<b>Net book value 31.12.2015</b>	<b>-</b>	<b>-</b>	<b>765</b>	<b>765</b>



**Note 8. Liabilities related to insurance contracts and reinsurance assets**

<b>€000</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
<b>Gross</b>		
Provision for incurred and reported claims and claims handling expenses	58,488	56,320
Provision for incurred but not reported claims	26,087	25,096
Provision for unearned premiums	43,742	40,072
<b>TOTAL</b>	<b>128,317</b>	<b>121,488</b>
<b>Reinsurer's share</b>		
Provision for incurred and reported claims and claims handling expenses	1,448	2,252
Provision for incurred but not reported claims	274	260
Provision for unearned premiums	586	532
<b>TOTAL</b>	<b>2,308</b>	<b>3,044</b>
<b>Net</b>		
Provision for incurred and reported claims and claims handling expenses	57,040	54,068
Provision for incurred but not reported claims	25,813	24,836
Provision for unearned premiums	43,156	39,540
<b>TOTAL</b>	<b>126,009</b>	<b>118,444</b>

**Note 9. 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 €1,294 thousand in remuneration, including social tax (2014: €1,085 thousand). No termination benefits were paid to members of the Management Board during the reporting period (2014: €0). No remuneration was paid to members of the Supervisory Board in 2015 and 2014.

Insurance contracts with total premiums of €12 thousand were concluded with the management individuals in the financial period (2014: €9 thousand).

Reinsurance transactions with group companies

The company has concluded reinsurance contracts with If P&C Insurance Ltd (Sweden) and If P&C Insurance Company Ltd (Finland), insurance companies incorporated under the parent company If P&C Insurance Holding Ltd.

€000	Calculated reinsurance premiums		Indemnifications and commissions received	
	2015	2014	2015	2014
If P&C Insurance Ltd (Sweden)	1,994	1,806	1,099	17
If P&C Insurance Company Ltd (Finland)	37	135	3	10

Receivables and payables related to the above transactions as of 31.12.2015 and 31.12.2014:

€000	31.12.2015	31.12.2014
<b>Receivables</b>		
If P&C Insurance Ltd (Sweden)	1	11
<b>Payables</b>		
If P&C Insurance Ltd (Sweden)	682	549

Other related party transactions, transactions with other group companies

€000	Services purchased		Services rendered	
	2015	2014	2015	2014
Mandatum Life Insurance Baltic SE	-	-	16	25
Nordea Group companies	455	424	559	559
If P&C Insurance Ltd (Sweden)	-	-	144	306
If P&C Insurance Company Ltd (Finland)	-	-	-	9
Sampo Plc	463	423	-	-
If IT Services	97	-	24	79
Support Services AS	1	3	36	36

Receivables and payables related to the above transactions as of 31.12.2015 and 31.12.2014:

€000	31.12.2015	31.12.2014
<b>Receivables</b>		
Mandatum Life Insurance Baltic SE	-	3
Nordea Group companies	48	43
If P&C Insurance Ltd (Sweden)	36	89
Support Services AS	1	-

	31.12.2015	31.12.2014
<b>Payables</b>		
Nordea Group companies	21	21
Sampo Plc	120	111

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

€000	31.12.2015	31.12.2014
<b>Financial assets</b>		
Nordea Group companies	34,532	31,132

€000	2015	2014
<b>Investment income/expense</b>		
Nordea Group companies	32	140