

*If P&C Insurance AS*

**Interim Report**

**2<sup>nd</sup> Quarter 2016**

**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: *1 January 2016*  
End of reporting period: *30 June 2016*  
CEO: *Andris Morozovs*  
Auditor: *Ernst & Young Baltic AS*

If P&C Insurance AS management board have compiled 2<sup>nd</sup> quarter 2016 interim report which is presented on pages 7 - 20.

Member of the Management Board	Heinar Olak	/Signature/	29.08.2016
Member of the Management Board	Artur Praun	/Signature/	29.08.2016

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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. If Insurance provides a complete range of P&C insurance products to corporate and private customers in the Baltics. If works directly via sales points, telephone and internet, as well as through brokers and partners. If has sales and customer service offices in main towns. 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 for the six months of 2016

In the first six months of 2016, If Insurance collected insurance premiums in the amount of €69.4 million, which is 0.9% more than in the same period in 2015. The volume of insurance premiums increased in Lithuania, but remained on the same level as last year in Latvia and decreased in Estonia due to a decline in the sales via the brokerage channel. The growth stems from first class customer service and claims handling as well as increased efficiency. The insurance volumes grew the most in the areas of personal insurance and vehicle insurance.

The company's net profit in the reporting period amounted to €6.6 million (€9.3 million in the first six months of 2015), of which profit from insurance activities formed €6.1 million euros (€8.8 million in the first six months of 2015). The weaker result from insurance activities was due to the cold winter at the beginning of the year and the related increase in the number of vehicle and property insurance claims as well as the fact that the beginning of 2015 was extraordinarily good because of the mild winter.

The combined ratio of If Insurance was 90.7% in the reporting period (85.5% in the first six months of 2015), mainly influenced by a higher claims ratio compared to the previous year. In the first six months of 2016, the loss ratio was 65.3% (58.7% in the first six months of 2015) and the expense ratio was 25.4% (26.8% in the first six months of 2015). The weaker loss ratio compared to the previous year was due to an increase in the cost of claims in vehicle related insurance lines. Operating expenses are kept under control via more cost-efficient marketing, the development of customer services and claim handling processes.

If Insurance is highly capitalised. As at 30 June 2016, the company's own funds exceeded the solvency capital requirement 2.5 times. During the reporting period, the company has fulfilled all the requirements for solvency capital and own funds arising from the Insurance Activities Act of 1 January 2016.

**KEY FIGURES**

€000	Q I-II 2016	Q I-II 2015
Premiums written, gross	69,427	68,805
Premiums earned, net of reinsurance	65,236	60,701
Claims incurred, net of reinsurance	42,621	35,660
Operating expenses <sup>1</sup>	16,541	16,268
Result from insurance <sup>2</sup>	6,074	8,772
Net profit	6,672	9,316
Combined ratio <sup>3</sup>	90.7%	85.5%
Expense ratio <sup>4</sup>	25.4%	26.8%
Loss ratio <sup>5</sup>	65.3%	58.7%
Return on investments <sup>6</sup>	1.9%	0.2%

**Formulas:**

<sup>1</sup> Operating expenses	Insurance contract acquisition costs and administrative expenses (+) reinsurance commissions (+) other income
<sup>2</sup> Result from insurance	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	$\frac{\text{Investment income (-) investment expenses (+) changes in fair value recognized in other comprehensive income}}{\text{Weighted average volume of financial investments in the period}}$

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### Investment result

The total assets increased from €265.1 million at the beginning of the year to €272.9 million as of 30 June 2016. Financial assets (€244.1 million as at 30 June 2016) are €109.6 million higher than the obligations under insurance contracts net of reinsurance, resulting in a strong solvency position.

During the reporting period continued reallocation of money market instruments into credit bonds as planned. Accordingly, the weight of money market has dropped from 18% (end of December 2015) down to 7.7%. The weight of credit bonds has increased from 82% up to 92.3%. Fixed income portfolio running yield has stayed on the same level 0.9% (31.12.2015: 0.9%) reflecting ultra-low yield investment environment. Fixed income portfolio's duration as at the end of June has moved up to 1.7 years (31.12.2015: 1.2 years).

The prevailing low interest rate environment is a serious challenge for the portfolio. The recent developments in the markets (Brexit, ECB bond buying program, Fed decision to postpone rate hikes etc.) has resulted in a downward spiral for European short and long term rates, which means that it will be increasingly difficult to re-invest maturing instruments at attractive levels.

In short terms of outlook, we seek to find new opportunities in the European investment grade bond markets and plan to re-invest maturing bonds into medium term instruments.

### Number of employees and workforce expenses

On 30th June 2016 the number of full time employees in If Insurance was 557 (31.12.2015: 545) and the company's expenses in the reporting period for personnel totalled €9.3 million (in the first six months of 2015: €9.2 million).

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

This year, If Insurance celebrates 150 years of insurance experience in Estonia – the roots of the predecessors of If Insurance reach back to 1866 when *Tallinna Alevite Vastastikuse Tulekinnituse Selts* (Mutual Fire Insurance Society of Tallinn Suburbs) was founded. Since the second quarter, the communication and marketing activities of If Insurance have been carrying the message of the jubilee year. We are a highly reliable financial enterprise with a long history and experience, having offered a sense of assurance to Estonians throughout five generations. We have gained our customers' preference largely thanks to excellent claims handling and a better sense of security. Research confirms that If Insurance is the most widely known insurance company with the highest customer satisfaction level and If Insurance will continue working with these quality indicators also in the future.

The entry into force of the new Insurance Activities Act can be considered an important event in 2016, bringing the national regulation into accordance with the requirements of the EU Solvency II Directive. In line with the above, If Insurance has supplemented its management system by creating an independent risk management, actuary and conformity control function, thereby increasing the efficiency of the company's risk management and internal control. Development activities to ensure conformity with the new Solvency II requirements have largely been successfully completed at If Insurance. Among other things, this ensures the capability to analyse the company's risk profile, minimum capital and solvency capital requirement pursuant to the new requirements, and to take into account both internal and external risks in managing If Insurance and ensuring long-term solvency.

## STATEMENT OF COMPREHENSIVE INCOME Q II

€000	Note	Q II 2016	Q II 2015
<b>REVENUE</b>			
<b>PREMIUMS EARNED, NET OF REINSURANCE</b>			
Premiums earned		33,211	31,827
Premiums ceded		-602	-704
<b>TOTAL</b>	2	<b>32,609</b>	<b>31,123</b>
<b>OTHER INCOME</b>			
Reinsurance commissions		43	46
Return on investments	3	331	131
Other income		12	13
<b>TOTAL</b>		<b>386</b>	<b>190</b>
<b>TOTAL REVENUE</b>		<b>32,995</b>	<b>31,313</b>
<b>EXPENSES</b>			
<b>CLAIMS INCURRED, NET OF REINSURANCE</b>			
Claims incurred, gross	4	-21,195	-18,801
Reinsurer's share in claims paid	4	293	150
<b>TOTAL</b>		<b>-20,902</b>	<b>-18,651</b>
<b>EXPENSES</b>			
Insurance contract acquisition costs	5	-5,733	-5,508
Administrative expenses	5	-2,880	-2,895
<b>TOTAL</b>		<b>-8,613</b>	<b>-8,403</b>
<b>TOTAL EXPENSES</b>		<b>-29,515</b>	<b>-27,054</b>
<b>NET RESULT BEFORE TAXES</b>		<b>3,480</b>	<b>4,259</b>
INCOME TAX		138	-118
<b>NET PROFIT FOR THE FINANCIAL PERIOD</b>		<b>3,618</b>	<b>4,141</b>
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED IN SUBSEQUENT PERIODS:</b>			
Change in the value of available-for-sale assets		737	-788
<b>TOTAL</b>		<b>737</b>	<b>-788</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<b>4,355</b>	<b>3,353</b>

## STATEMENT OF COMPREHENSIVE INCOME

€000	Note	Q I-II 2016	Q I-II 2015
<b>REVENUE</b>			
<b>PREMIUMS EARNED, NET OF REINSURANCE</b>			
Premiums earned		66,404	62,050
Premiums ceded		-1,168	-1,350
<b>TOTAL</b>	2	<b>65,236</b>	<b>60,700</b>
<b>OTHER INCOME</b>			
Reinsurance commissions		133	141
Return on investments	3	696	871
Other income		25	32
<b>TOTAL</b>		<b>854</b>	<b>1,044</b>
<b>TOTAL REVENUE</b>		<b>66,090</b>	<b>61,744</b>
<b>EXPENSES</b>			
<b>CLAIMS INCURRED, NET OF REINSURANCE</b>			
Claims incurred, gross	4	-43,131	-35,395
Reinsurer's share in claims paid	4	510	-265
<b>TOTAL</b>		<b>-42,621</b>	<b>-35,660</b>
<b>EXPENSES</b>			
Insurance contract acquisition costs	5	-11,217	-10,791
Administrative expenses	5	-5,481	-5,651
<b>TOTAL</b>		<b>-16,698</b>	<b>-16,442</b>
<b>TOTAL EXPENSES</b>		<b>-59,319</b>	<b>-52,102</b>
<b>NET RESULT BEFORE TAXES</b>		<b>6,771</b>	<b>9,642</b>
INCOME TAX		-98	-327
<b>NET PROFIT FOR THE FINANCIAL PERIOD</b>		<b>6,673</b>	<b>9,315</b>
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED IN SUBSEQUENT PERIODS:</b>			
Change in the value of available-for-sale assets		1,591	-614
<b>TOTAL</b>		<b>1,591</b>	<b>-614</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<b>8,264</b>	<b>8,701</b>

## STATEMENT OF FINANCIAL POSITION

€000	Note	30.06.2016	31.12.2015
<b>ASSETS</b>			
Cash and cash equivalents		5,890	10,115
Financial investments	6	244,082	235,574
Receivables related to insurance activities		14,002	12,195
Accrued income and prepaid expenses		4,561	3,947
Reinsurance assets	8	3,381	2,308
Deferred tax asset		258	152
Shares in subsidiary		88	88
Property, plant and equipment	7	662	765
<b>TOTAL ASSETS</b>		<b>272,924</b>	<b>265,144</b>
<b>LIABILITIES AND OWNER'S EQUITY</b>			
Liabilities related to insurance activities		5,060	5,553
Accrued expenses and prepaid revenues		4,326	4,517
Liabilities arising from insurance contracts	8	135,417	128,317
<b>Total liabilities</b>		<b>144,803</b>	<b>138,387</b>
Share capital		6,391	6,391
Share premium		3,679	3,679
Mandatory reserve		2,362	2,362
Revaluation reserve		3,012	1,421
Retained earnings		106,004	92,979
Net profit for the year		6,673	19,925
<b>Total owner's equity</b>		<b>128,121</b>	<b>126,757</b>
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>		<b>272,924</b>	<b>265,144</b>

## STATEMENT OF CHANGES IN EQUITY

€000

	Share capital	Share premium	Mandatory reserve	Revaluation reserve Available-for-sale-financial assets	Retained earnings	Net profit for the year	Total equity
<b>Equity at beginning of 2015</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>2,387</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 2015</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>1,421</b>	<b>92,979</b>	<b>19,925</b>	<b>126,757</b>
<b>Equity at beginning of 2016</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>1,421</b>	<b>112,904</b>	<b>-</b>	<b>126,757</b>
Paid dividends <sup>1)</sup>	-	-	-	-	-6,900	-	<b>-6,900</b>
Other comprehensive income	-	-	-	1,591	-	-	<b>1,591</b>
Profit for the year	-	-	-	-	-	6,673	<b>6,673</b>
<b>Equity at end of June 2016</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>3,012</b>	<b>106,004</b>	<b>6,673</b>	<b>128,121</b>

- <sup>1)</sup> In March 2016, the Company distributed 6,900,000 euros (2015: 5,800,000 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	Q I-II 2016	Q I-II 2015
<b>Cash flow from operating activities</b>			
Premiums received	2	66,869	66,040
Premiums ceded	2	-1,780	-1,710
Claims paid, incl. claims handling expenses	4, 5	-38,812	-34,483
Cash flow from reinsurance		119	176
Employee-related and service-related expenses		-17,767	-18,271
Investments in bonds and other interest-bearing securities		-37,363	-85,476
Proceeds from disposals of bonds and other interest-bearing securities		16,909	79,904
Investments in term deposits		-	-11,500
Proceeds from term deposits		13,000	11,500
Interest received		1,548	1,704
<b>Cash flow operating activities, total</b>		<b>2,723</b>	<b>7,884</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	7	-49	-145
Proceeds from disposal of property, plant and equipment		1	3
<b>Cash flow from investing activities, total</b>		<b>-48</b>	<b>-142</b>
<b>Cash flow from financing activities</b>			
Paid dividends		-6,900	-5,800
<b>Cash flow from financing activities</b>		<b>-6,900</b>	<b>-5,800</b>
Change in cash flow		<b>4,225</b>	<b>1,942</b>
Cash and cash equivalents at the beginning of the year		<b>10,115</b>	<b>3,353</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>5,890</b>	<b>5,295</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 2015 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 second quarter of 2016 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	Q I-II 2016	Q I-II 2015
Premiums written, gross	69,427	68,804
Change in the provision for unearned premiums	-3,023	-6,754
<b>Premiums earned, gross of reinsurance</b>	<b>66,404</b>	<b>62,050</b>
Reinsurance premiums	-1,750	-2,076
Change in the provision for unearned premiums	582	726
<b>Premiums earned, ceded</b>	<b>-1,168</b>	<b>-1,350</b>
<b>TOTAL</b>	<b>65,236</b>	<b>60,700</b>

**Note 3. Return on investments**

<b>€000</b>	<b>Q I-II 2016</b>	<b>Q I-II 2015</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	647	648
<b>Available-for-sale financial assets</b>		
From bonds and other interest-bearing securities	733	671
<b>Loans and receivables</b>		
From deposits	12	14
From cash and cash equivalents	1	1
<b>TOTAL</b>	<b>1,393</b>	<b>1,334</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
<b>Available-for-sale financial assets</b>		
From bonds and other interest-bearing securities	13	153
<b>TOTAL</b>	<b>13</b>	<b>368</b>
<u>Loss from disposals</u>		
<b>Available-for-sale financial assets</b>		
From bonds and other interest-bearing securities	-	- 1
<b>TOTAL</b>	<b>-</b>	<b>- 1</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	-394	-531
<b>TOTAL</b>	<b>-394</b>	<b>-531</b>
Investment expenses	<b>-316</b>	<b>-299</b>
<b>TOTAL RETURN ON INVESTMENTS</b>	<b>696</b>	<b>871</b>

<b>Reconciliation of fair value reserve of available-for-sale financial assets</b>	<b>Q I-II 2016</b>	<b>Q I-II 2015</b>
Opening balance, available-for-sale financial assets	1,421	2,387
Unrealized result, available-for-sale financial assets, recognized in comprehensive income	1,605	-463
Realized result, recognized in income statement	-13	-151
Closing balance, available-for-sale financial assets	<b>3,013</b>	<b>1,773</b>
Total result in fair value available-for-sale financial assets during the year	1,592	-614

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

<b>€000</b>	<b>Q I-II 2016</b>	<b>Q I-II 2015</b>
<b>Gross</b>		
Claims paid during the year related to that year	-27,943	-22,149
Claims paid related to previous years	-14,156	-13,726
Amounts recovered from salvage and recourses	4,910	3,808
Change in the provision for claims outstanding	-4,077	-1,432
Claims handling costs	-1,865	-1,896
<b>TOTAL</b>	<b>-43,131</b>	<b>-35,395</b>
<b>Reinsurer's share</b>		
Claims paid related to previous years	19	109
Change in the provision for claims outstanding	491	-374
<b>TOTAL</b>	<b>510</b>	<b>-265</b>
<b>Net</b>		
Claims paid during the year related to that year	-23,033	-18,341
Claims paid related to previous years	-14,137	-13,617
Claims handling costs	-1,865	-1,896
Change in the provision for claims outstanding	-3,586	-1,806
<b>TOTAL</b>	<b>-42,621</b>	<b>-35,660</b>

**Note 5. Operating expenses**

€000	Q I-II 2016	Q I-II 2015
Personnel expenses	-9,317	-9,177
Commissions to intermediaries	-4,956	-5,332
Data processing	-973	-1,102
Expenses on premises	-1,013	-1,023
Office expenses (incl. communication expenses)	-499	-527
Other operating expenses	-1,805	-1,177
<b>TOTAL</b>	<b>-18,563</b>	<b>-18,338</b>

*Division of costs on the basis of functions:*

Insurance contract acquisition costs	-11,217	-10,791
Administrative expenses	-5,481	-5,651
Claims handling expenses	-1,865	-1,896
<b>TOTAL</b>	<b>-18,563</b>	<b>-18,338</b>

**Note 6. Financial investments**

€000	30.06.2016	31.12.2015
<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	40,959	41,621
incl. with a fixed interest rate (2.375%-5.5%; 31.12.2015: 2,375% -5,5%)	40,959	41,621
<b>TOTAL</b>	<b>40,959</b>	<b>41,621</b>
<b>Available-for-sale financial assets</b>		
From bonds and other interest-bearing securities		
- listed	179,456	150,438
- unlisted	12,156	19,000
incl. with a floating interest rate	97,900	106,638
incl. with a fixed interest rate (0.03%-3.75%; 31.12.2015: 0.03%-3.75%)	93,712	62,800
<b>TOTAL</b>	<b>191,612</b>	<b>169,438</b>

€000	30.06.2016	31.12.2015
<b>Loans and receivables</b>		
Term deposits	11,511	24,515
<b>TOTAL</b>	<b>11,511</b>	<b>24,515</b>
<b>FINANCIAL INVESTMENTS TOTAL</b>		
	<b>244,082</b>	<b>235,574</b>

Term deposits earn an annual interest 0.18% (as of 31.12.2015: 0.18-0.25%).

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

€000	30.06.2016	31.12.2015
Issued by Estonian companies	4,442	4,406
Issued by foreign governments	2,528	-
Issued by foreign financial institutions	126,313	124,276
Issued by foreign companies	99,288	82,377
<b>TOTAL</b>	<b>232,571</b>	<b>211,059</b>

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

	Percentage of fair value	
	30.06.2016	31.12.2015
AAA	6.6%	7.4%
AA+ until AA-	29.3%	33.2%
A+ until A-	33.7%	29.8%
BBB+ until BBB-	24.0%	22.7%
BB	0.5%	0.5%
Non rated	5.9%	6.4%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

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

€000	30.06.2016	31.12.2015
up to 1 year	50,180	32,546
1-2 years	11,231	43,843
2-5 years	153,096	122,602
5-10 years	18,064	12,068
<b>TOTAL</b>	<b>232,571</b>	<b>211,059</b>

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

<b>€000</b>	<b>Other PPE</b>
<b>Net book value 31.12.2014</b>	<b>788</b>
Acquisition	347
Write-off	-411
Disposal	-75
Acquisition cost 31.12.2015	2,906
-incl. fully depreciated	1,639
Depreciation charge for the year	-340
Depreciation charge of sales and disposals	455
Accumulated depreciation 31.12.2015	-2,141
<b>Net book value 31.12.2015</b>	<b>765</b>
Acquisition	69
Disposal	-45
Acquisition cost 30.06.2016	2,931
-incl. fully depreciated	1,711
Depreciation charge for the year	-172
Depreciation charge of sales and disposals	45
Accumulated depreciation 30.06.2016	-2,269
<b>Net book value 30.06.2016</b>	<b>662</b>

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

<b>€000</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
<b>Gross</b>		
Provision for incurred and reported claims and claims handling expenses	62,788	58,488
Provision for incurred but not reported claims	25,865	26,087
Provision for unearned premiums	46,764	43,742
<b>TOTAL</b>	<b>135,417</b>	<b>128,317</b>
<b>Reinsurer's share</b>		
Provision for incurred and reported claims and claims handling expenses	1,922	1,448
Provision for incurred but not reported claims	291	274
Provision for unearned premiums	1,168	586
<b>TOTAL</b>	<b>3,381</b>	<b>2,308</b>
<b>Net</b>		
Provision for incurred and reported claims and claims handling expenses	60,866	57,040
Provision for incurred but not reported claims	25,574	25,813
Provision for unearned premiums	45,596	43,156
<b>TOTAL</b>	<b>132,036</b>	<b>126,009</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 €550 thousand in remuneration, including social tax (2015 6 months: €439 thousand). No termination benefits were paid to members of the Management Board during the reporting period (2015 6 months: €0). No remuneration was paid to members of the Supervisory Board in 2016 and 2015.

Insurance contracts with total premiums of €4 thousand were concluded with the management individuals in the financial period (2015 6 months: €4 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	
	Q I-II 2016	Q I-II 2015	Q I-II 2016	Q I-II 2015
If P&C Insurance Ltd (Sweden)	1,013	1,325	4	114
If P&C Insurance Company Ltd (Finland)	48	36	4	3

Receivables and payables related to the above transactions as of 30.06.2016 and 31.12.2015:

€000	30.06.2016	31.12.2015
<b>Receivables</b>		
If P&C Insurance Ltd (Sweden)	2	1
<b>Payables</b>		
If P&C Insurance Ltd (Sweden)	559	682
If P&C Insurance Company Ltd (Finland)	15	-

Other related party transactions, transactions with other group companies

€000	Services purchased		Services rendered	
	Q I-II 2016	Q I-II 2015	Q I-II 2016	Q I-II 2015
Mandatum Life Insurance Baltic SE	-	-	15	11
Nordea Group companies	270	248	274	268
If P&C Insurance Ltd (Sweden)	-	-	64	49
Sampo Plc	243	226	-	-
If IT Services	-	-	1	9
Support Services AS	-	1	25	18

Receivables and payables related to the above transactions as of 30.06.2016 and 31.12.2015:

€000	30.06.2016	31.12.2015
<b>Receivables</b>		
Mandatum Life Insurance Baltic SE	3	-
Nordea Group companies	68	48
If P&C Insurance Ltd (Sweden)	-	36
Support Services AS	-	1

	<b>30.06.2016</b>	<b>31.12.2015</b>
<b>Payables</b>		
Nordea Group companies	22	21
Sampo Plc	122	120

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

<b>€000</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
<b>Financial assets</b>		
Nordea Group companies	21,518	34,532

<b>€000</b>	<b>Q I-II 2016</b>	<b>Q I-II 2015</b>
<b>Investment income/expense</b>		
Nordea Group companies	11	8