

If P&C Insurance AS

Consolidated Interim Report

2nd Quarter 2012

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 2012*
End of reporting period: *30 June 2012*
CEO: *Andris Morozovs*
Auditor: *Ernst & Young Baltic AS*

If P&C Insurance AS management board have compiled 2nd quarter 2012 consolidated interim report which is presented on pages 7-20.

Member of the Management Board	Heinar Olak	/Signature/	30.08.2012
Member of the Management Board	Artur Praun	/Signature/	31.08.2012

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EXPLANATORY NOTE

If P&C Insurance AS (the Company or If Insurance) is fully owned by the leading Nordic P&C 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 property and casualty 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.

The company is headed by the Baltic management – BMT (Baltic Management Team) – consisting of the management board members.

The Estonian unit of the company has been the Estonian leader in non-life insurance since 2000 with a market share of 28.5% in the first five months (5 months 2011: 29.7%). The Latvian branch of If Insurance is the fourth largest non-life insurance company operating on the Latvian market in terms of market share – 12.9% in first quarter 2012 (Q1 2011: 11.9%) (the data for Latvia are published at a staggered interval and the current year five-month figures were not yet available as of this writing). The Lithuanian branch of If Insurance is fifth in terms of market share on the Lithuanian non-life insurance market – market share in the first five months was 8.2% (5 months 2011: 9.3%).

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

Results for the six months of 2012

The economy in the Baltic States recovered rapidly in 2011. Economic recovery has primarily been fuelled by exports and increase in consumer spending, and also by a continued increase in industrial output. On the other hand the unemployment rate continues to be at a very high level and only mild improvement is expected in the years ahead. Economic growth is forecasted to slow down in current year and uncertainties in the external environment are on the rise. Further developments in Baltics as well as in Europe depend on how problems related to governmental deficits in number of European countries will be solved.

The improvement in the economy has had a positive impact on the development of the insurance market. The Estonian non-life insurance market contracted by 4.8% in first five months 2012, in Lithuania 3.7% and in 2011 the figure for Latvia was 6.8% (the data for Latvia are published at a staggered interval and the current year five-month figures were not yet available as of this writing). The Estonian non-life insurance market grew in all main insurance lines of businesses, with highest growth in property insurance. The Lithuanian non-life insurance market grew the most in the motor vehicle and personal accident lines of insurance. The Latvian non-life insurance market grew the most in the motor third party liability, cargo and health insurance.

In the first 6 months of 2012, If Insurance received insurance premiums of 61.0 million euros, growing by 1.9 per cent year-over-year. The economic situation contributed to the increase in sales revenue, as did the moderate improvement in the market competition situation. Insurance premiums in Latvia grew at the fastest rate compared to last year – 14.0%. Latvia displayed very good sales results in all of the primary types of insurance, with motor risks and property insurance categories growing the fastest. The Estonian unit garnered 1.4% more in insurance premiums in the first 6 months of 2012 than it did in the same period last year. The highest growth compared to last year came in motor own

damage and personal accident insurance. The Lithuanian branch garnered 8.4% less in insurance premiums than they did in the same period last year.

The consolidated net profit of If Insurance was 12.4 million euros in the reporting period (QI-II 2011: 8.1 million euros). The profit of insurance activity amounted to 8.8 million euros (QI-II 2011: 7.8 million euros), of which profit from financial investments made up 4.1 million euros (QI-II 2011: 0.5 million euros).

The loss ratio improved by 1.8 percentage points year-over-year (QI-II 2012: 55.7%; QI-II 2011: 57.5%). The significantly improved results of Lithuania were due to a lower level of large claims and profitability measures taken. The expense ratio was 0.2 percentage points higher than it was in the same period last year (QI-II 2012: 27.9%; QI-II 2011: 27.7%). The increase of expense ratio is explained mostly by raise in workforce expenses and the number of employees. The combined ratio decreased to 83.6% (QI-II 2011: 85.1%). The decrease is explained by an excellent loss ratio outcome.

Investments

The assets of the company have decreased from 228.8 million euros as of the beginning of the year to 207.6 million euros as at 30 June 2012. The amount of financial assets (170.2 million euros as at 30 June 2012) exceeds by 60.7 million euros the obligations under insurance contracts net of reinsurance assets, which gives the company a strong liquidity reserve.

In the second quarter, yield on fixed interest rate financial investments was +1.0%, YTD performance was 2.5%. Credit bond portfolio, which accounts for most of the investments, had good performance and YTD yield was +3.3%. Money market portfolio performance has been modest +0.5% and government bonds +1.2% YTD. During the second quarter it was not possible to reinvest all maturing credit bonds. As a result of this money market portfolio weight increased as at 30 June up to 21%, which is 5% unit higher than at the end of first quarter. Credit bonds weight in portfolio is 73%. The overall duration of the portfolio was 1.5 years as of the end of June and running yield has been decreased from 2.2% to 1.9%.

The outlook is as follows: it is planned maintain high exposure of credit bonds in portfolio. Duration is expected to remain at current level.

Number of employees and workforce expenses

As of 30 June 2012, If P&C Insurance AS group employed 573 full-time employees (30.06.2011: 551 full-time employees) and the workforce expenses totalled 8.0 million euros (QI-II 2011: 7.3 million euros).

Changes in the management bodies

During the reporting period, Tiit Kolde was elected new management board member. The amendment was entered into the Commercial Register on 2 July 2012.

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

The company's business activity includes direct sales of insurance products to corporate and private customers and sales via brokers and partners. The company has 35 sales outlets and customer service offices Estonia-wide, with the largest ones located in Tallinn, Tartu and Pärnu. There are four offices in Latvian and ten in Lithuania, located in the primary county seats. The number of clients in the Baltics is about 310,000, which includes individuals and companies.

If Insurance has maintained an innovative style, and for better customer service, the company has introduced product modifications at home insurance and at private unemployment insurance. At the

Estonian entrepreneurship competition, If Insurance, with its mobile travel insurance, was chosen as one of the three outstanding nominees. Launching a private health product in Latvia promoted company's innovative image and consumer interest for If Insurance grew.

In order to satisfy clients, the company has focused on claims handling throughout the Baltics. The company is aiming to keep the highest standard in claims handling in Baltics. The process of claims handling is well-done and client friendly, and company can say confidently that it is "Claims handling, the way it should be".

As the leading insurance company in the Baltics, If Insurance is aware of its social responsibility. The company is making contributions to different claims prevention related projects through sponsoring and funds. If also is committed to increasing knowledge about insurance products in the societies, especially in areas where insurance coverage is low or in many cases lacking totally.

In the coming years, If Insurance will emphasize client satisfaction even more. Investments will be made in IT systems and work processes related to claims handling and customer service. Also insurance products will be adjusted going forward in line with customer needs and preferences. If Insurance recognizes that client' purchasing habits have become more e-channel friendly and is confident that this trend will not change in the coming years.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Q II

in euros

	Note	Q II 2012	Q II 2011
REVENUE			
PREMIUMS EARNED, NET OF REINSURANCE			
Premiums earned		28 431 930	28 244 661
Premiums ceded		-997 275	-807 552
TOTAL	2	27 434 655	27 437 109
OTHER INCOME			
Reinsurance commissions		61 444	43 110
Return on investments	3	1 243 263	573 765
Other income		28 360	26 890
TOTAL		1 333 068	643 766
TOTAL REVENUE		28 767 723	28 080 875
EXPENSES			
CLAIMS INCURRED, NET OF REINSURANCE			
Claims incurred, gross	4	-13 373 695	-12 611 433
Reinsurer's share in claims paid	4	-326 969	-662 191
TOTAL		-13 700 664	-13 273 624
EXPENSES			
Insurance contract acquisition costs	5	-5 250 896	-4 983 255
Administrative expenses	5	-2 806 672	-2 840 487
TOTAL		-8 057 568	-7 823 742
TOTAL EXPENSES		-21 758 232	-21 097 366
NET RESULT BEFORE TAXES		7 009 490	6 983 509
INCOME TAX		-393 410	-205 532
NET PROFIT FOR THE FINANCIAL PERIOD		6 616 081	6 777 977
OTHER COMPREHENSIVE INCOME			
Exchange differences on translating foreign operations		5 628	725
TOTAL		5 628	725
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		6 621 709	6 778 702

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Q I-II

in euros

	Note	Q I-II 2012	Q I-II 2011
REVENUE			
PREMIUMS EARNED, NET OF REINSURANCE			
Premiums earned		56 496 443	55 719 064
Premiums ceded		-1 721 455	-1 688 572
TOTAL	2	54 774 988	54 030 492
OTHER INCOME			
Reinsurance commissions		157 581	173 705
Return on investments	3	4 092 581	495 202
Other income		58 141	48 647
TOTAL		4 308 303	717 554
TOTAL REVENUE		59 083 291	54 748 046
EXPENSES			
CLAIMS INCURRED, NET OF REINSURANCE			
Claims incurred, gross	4	-30 289 342	-30 013 309
Reinsurer's share in claims paid	4	-210 750	-1 036 470
TOTAL		-30 500 093	-31 049 779
EXPENSES			
Insurance contract acquisition costs	5	-10 231 291	-10 033 203
Administrative expenses	5	-5 436 613	-5 369 478
TOTAL		-15 667 904	-15 402 681
TOTAL EXPENSES		-46 167 997	-46 452 461
NET RESULT BEFORE TAXES		12 915 294	8 295 585
INCOME TAX		-557 650	-199 988
NET PROFIT FOR THE FINANCIAL PERIOD		12 357 644	8 095 598
OTHER COMPREHENSIVE INCOME			
Exchange differences on translating foreign operations		-39 664	2 177
TOTAL		-39 664	2 177
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		12 317 980	8 097 775

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in euros

	Note	30.06.2012	31.12.2011
ASSETS			
Cash and cash equivalents		3 270 015	2 859 840
Financial assets	6	170 166 314	195 839 078
Receivables related to insurance activities		16 019 865	12 547 063
Accrued income and prepaid expenses		4 255 152	4 133 451
Reinsurance assets	9	4 230 196	3 845 578
Intangible assets	7	4 233 649	3 883 850
Property, plant and equipment	8	5 459 348	5 641 683
TOTAL ASSETS		207 634 539	228 750 544
LIABILITIES AND OWNER'S EQUITY			
Liabilities related to insurance activities		6 574 502	5 549 773
Accrued expenses and prepaid revenues		3 034 172	3 712 558
Liabilities arising from insurance contracts	9	113 656 241	108 436 569
Total liabilities		123 264 915	117 698 900
Share capital		6 391 165	6 391 165
Share premium		3 678 730	3 678 730
Mandatory reserve		2 362 314	2 362 314
Profit carried forward		59 579 771	77 153 317
Net profit for the year		12 357 644	21 466 118
Total owner's equity		84 369 624	111 051 644
TOTAL LIABILITIES AND OWNER'S EQUITY		207 634 539	228 750 544

CONSOLIDATED STATEMENT OF CASH FLOWS

in euros	Note	Q 1-II 2012	Q 1-II 2011
Cash flow from operating activities			
Premiums received	2	58 967 790	59 314 295
Premiums ceded	2	-1 168 935	-1 441 874
Claims paid, incl. Claims handling expenses	4,5	-31 076 477	-35 772 069
Cash flow from reinsurance		238 057	489 456
Employee-related and service-related expenses		-16 786 288	-14 997 152
Investments in fixed income securities		-65 046 205	-113 392 606
Proceeds from disposals of fixed income securities		62 045 595	69 171 949
Investments in term deposits		-64 800 000	-174 418 546
Return on term deposits		96 200 000	213 168 263
Interest received		1 595 926	1 162 300
Cash flow operating activities, net		40 169 465	3 284 015
Cash flow from investing activities			
Purchase of property, plant and equipment, and intangible assets	7,8	-774 285	-1 400 597
Proceeds from disposal of property, plant and equipment, and intangible assets		11 645	688
Cash flow from investing activities, net		-762 640	-1 399 909
Cash flow from financing activities			
Paid dividend		-39 000 000	-
Cash flow from financing activities, net		-39 000 000	-
Change in cash flow, net		406 824	1 884 105
Cash and cash equivalents at the beginning of the period		2 859 840	4 905 644
Effects of exchange rate changes on cash and cash equivalents		3 351	67
Cash and cash equivalents at the end of the period		3 270 015	6 789 816

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in euros

	Share capital	Share premium	Mandatory reserve	Profit brought forward	Net profit for the year	Total equity
Equity						
01.01.2011	6 391 165	3 678 730	2 362 314	77 091 498	-	89 523 707
Total comprehensive income	-	-	-	61 819	21 466 118	21 527 937
Equity						
31.12.2011	6 391 165	3 678 730	2 362 314	77 153 317	21 466 118	111 051 644
Equity						
01.01.2012	6 391 165	3 678 730	2 362 314	98 619 435	-	111 051 644
Paid dividends ¹⁾	-	-	-	-39 000 000	-	-39 000 000
Total comprehensive income	-	-	-	-39 664	12 357 644	12 317 980
Equity						
30.06.2012	6 391 165	3 678 730	2 362 314	59 579 771	12 357 644	84 369 624

As of 30 June 2012 the share capital of If Insurance stands at 6,391,165 euros and the sole shareholder owns 6,391,165 shares with a nominal value of 1 euro. According to the amended articles of association the minimum share capital of If Insurance is 3 million euros and the maximum share capital is 12 million euros. The parent company of If P&C Insurance AS is If P&C Insurance Holding Ltd, which is headquartered in Sweden.

- ¹⁾ In the 2011 annual report, the management board proposed to distribute 42,195,848 euros in dividends to the sole shareholder. The sole shareholder decided to take 39,000,000 euros out as dividends.

The company pays dividends from the profits made by its Latvian and Lithuanian branches and capital contributions previously made into these countries and now returned. 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. The purpose of the provision is to incentivize the free movement of capital and likewise to ensure conformity with EU law. The basis for the other part of the dividends was a return of contributed capital from Latvia and Lithuania which did not exceed previous contributions and which thus did not constitute a taxable event.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Note 1. Accounting principles and basis of estimations used in the preparation of the consolidated financial statements

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

The AS If P&C Insurance annual report for the financial year ended 31 December 2011 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 6-month interim report.

This consolidated interim report includes the consolidated reports of the consolidated group’s parent company If P&C Insurance AS and its subsidiary AS If Kinnisvarahaldus.

Note 2. Premiums earned, net of reinsurance

	Q I-II 2012	Q I-II 2011
Premiums written, gross	61 043 757	59 909 488
Incl. 100% of the reinsured portion	897 429	1 153 422
Change in the provision for unearned premiums	-4 547 315	-4 190 424
Premiums earned, gross of reinsurance	56 496 443	55 719 064
Reinsurance premiums	-2 398 208	-2 615 947
Change in the provision for unearned premiums	676 753	927 375
Premiums earned, ceded	-1 721 455	-1 688 572
TOTAL	54 774 988	54 030 492

Note 3. Return on investments

	Q I-II 2012	Q I-II 2011
<u>Interest income/expense</u>		
Financial assets at fair value through profit or loss		
<i>Classified as held for trading</i>		
From bonds and other fixed income securities	1 480 357	532 387
<i>Designated at fair value through profit or loss at inceptions:</i>		
From certificates of deposits	171 968	142 226
Loans and receivables		
From deposits	178 328	617 227
From cash and cash equivalents	3 014	9 457
	1 833 667	1 301 297
<u>Profit from disposals</u>		
Financial assets at fair value through profit or loss		
<i>Classified as held for trading</i>		
From bonds and other fixed income securities	251 255	6 684
<i>Designated at fair value through profit or loss at inceptions:</i>		
From certificates of deposits	7 543	-
	258 798	6 684
<u>Loss from disposals</u>		
Financial assets at fair value through profit or loss		
<i>Classified as held for trading</i>		
From bonds and other fixed income securities	-	-113 842
<i>Designated at fair value through profit or loss at inceptions:</i>		
From certificates of deposits	-	-19 577
	-	-133 419
<u>Profit/loss from change in fair value</u>		
Financial assets at fair value through profit or loss		
<i>Classified as held for trading</i>		
From bonds and other fixed income securities	2 290 033	-404 252
<i>Designated at fair value through profit or loss at inceptions:</i>		
From certificates of deposits	-59 946	-1 323
	2 230 087	-405 575
<u>Investment expenses</u>	-229 971	-273 785
TOTAL RETURN ON INVESTMENTS	4 092 581	495 202

Note 4. Claims incurred, net of reinsurance

	Q I-II 2012	Q I-II 2011
Gross		
Claims paid during the year related to that year	-19 521 075	-21 281 382
Claims paid related to previous years	-12 628 231	-15 872 760
Amounts recovered from salvage and recourses	4 181 281	2 763 713
Change in the provision for claims outstanding	-578 917	5 913 526
Claims handling costs	-1 742 400	-1 536 408
TOTAL	-30 289 342	-30 013 309
Reinsurer's share		
Claims paid during the year related to that year	52 624	1 283
Claims paid related to previous years	41 992	700 217
Change in the provision for claims outstanding	-305 366	-1 737 970
TOTAL	-210 750	-1 036 470
Net		
Claims paid during the year related to that year	-15 287 171	-18 516 385
Claims paid related to previous years	-12 586 239	-15 172 543
Claims handling costs	-1 742 400	-1 536 408
Change in the provision for claims outstanding	-884 283	4 175 557
TOTAL	-30 500 093	-31 049 779

Note 5. Operating expenses

	Q I-II 2012	Q I-II 2011
Personnel expenses	-7 999 188	-7 345 513
Commissions to intermediaries	-4 803 127	-4 661 218
Data processing	-1 398 736	-1 668 387
Expenses on premises	-1 300 810	-1 271 612
Office expenses (incl. communication expenses)	-629 459	-643 494
Other operating expenses	-1 278 984	-1 348 865
TOTAL	-17 410 304	-16 939 089

Division of costs on the basis of functions:

Insurance contract acquisition costs	-10 231 291	-10 033 203
Administrative expenses	-5 436 613	-5 369 478
Claims handling expenses	-1 742 400	-1 536 408
TOTAL	-17 410 304	-16 939 089

Note 6. Financial assets

	30.06.2012	31.12.2011
Financial assets measured at fair value through profit or loss		
<i>Classified as held for trading</i>		
Shares, equity funds and bond funds	64	64
- unlisted	64	64
Bonds and other fixed income securities	132 784 818	121 897 841
- listed	132 742 393	121 855 416
- unlisted	42 425	42 425
incl. with a floating interest rate	69 676 757	61 616 518
incl. with a fixed interest rate (2.0% - 6.0%)	63 108 061	60 281 322
<i>Designated at fair value through profit or loss at inceptions:</i>		
Certificates of deposits	23 141 948	28 286 889
- unlisted with a fixed interest rate (1.01% - 1.08%)	23 141 948	28 286 889
TOTAL	155 926 830	150 184 794
Loans and receivables		
Term deposits	14 239 484	45 654 284
TOTAL	14 239 484	45 654 284
FINANCIAL ASSETS TOTAL	170 166 314	195 839 078

Division of bonds and other fixed income securities by issuers

	30.06.2012	31.12.2011
Issued by Estonian companies	4 232 141	42 425
Issued by foreign governments	4 370 178	29 126 208
Issued by foreign financial institutions	121 853 521	102 525 884
Issued by foreign companies	25 470 926	18 490 213
TOTAL	155 926 766	150 184 730

Ratings of bond issuers (S&P)

	Percentage of fair value	
	30.06.2012	31.12.2011
AAA	8,0%	22,7%
AA	32,4%	32,7%
A	40,6%	35,4%
BBB	18,2%	9,1%
BB	0,6%	0,0%
TOTAL	100%	100%

Division of bonds and other fixed income securities by maturity terms

	30.06.2012	31.12.2011
up to 1 year	31 896 175	50 173 393
1-2 years	77 479 528	63 348 727
2-5 years	32 634 262	36 662 609
5-10 years	13 916 800	-
TOTAL	155 926 766	150 184 730

Note 7. Intangible assets**Computer software**

Net book value 31.12.2010	2 974 475
Acquisition (incl. prepayment)	1 850 957
Write-off	-561 641
Acquisition cost 31.12.2011	8 209 466
-incl. fully depreciated	3 604 130
Depreciation charge for the year	-515 621
Depreciation of written-off non-current assets	-
Accumulated depreciation 31.12.2011	-4 340 448
Translation differences	14 832
Net book value 31.12.2011	3 883 850
Acquisition (incl. prepayment)	616 087
Acquisition cost 30.06.2012	8 825 553
-incl. fully depreciated	3 699 771
Depreciation charge for the year	-271 392
Accumulated depreciation 30.06.2012	-4 611 840
Translation differences	19 935
Net book value 30.06.2012	4 233 649

Note 8. Property, plant and equipment

	Land	Buildings	Other PPE	TOTAL
Net book value 31.12.2010	383 937	4 623 128	952 682	5 959 746
Acquisition	-	-	396 873	396 873
Reclassification	-	-10 336	10 336	-
Write-off	-	-	-715 862	-715 862
Disposal	-	-	-63 472	-63 472
Acquisition cost 31.12.2011	383 937	6 852 817	4 143 056	11 379 810
-incl. fully depreciated	-	-	2 142 536	2 142 536
Depreciation charge for the year	-	-138 573	-579 234	-717 807
Depreciation charge of sales and disposals	-	-	777 901	777 901
Depreciation charge of reclassified assets	-	654	-654	-
Accumulated depreciation 31.12.2011	-	-2 377 944	-3 364 520	-5 742 464
Translation differences	-	-	4 338	4 338
Net book value 31.12.2011	383 937	4 474 873	782 874	5 641 683
Acquisition	-	-	131 774	131 774
Write-off	-	-	-25 298	-25 298
Disposal	-	-	-38 101	-38 101
Acquisition cost 30.06.2012	383 937	6 852 817	4 211 430	11 448 184
-incl. fully depreciated	-	-	2 235 234	2 235 234
Depreciation charge for the year	-	-68 768	-243 850	-312 618
Depreciation charge of sales and disposals	-	-	61 274	61 274
Accumulated depreciation 30.06.2012	-	-2 446 713	-3 547 096	-5 993 809
Translation differences	-	-	4 973	4 973
Net book value 30.06.2012	383 937	4 406 104	669 307	5 459 348

Note 9. Liabilities related to insurance contracts and reinsurance assets

	30.06.2012	31.12.2011
Gross		
Provision for incurred and reported claims and claims handling expenses	37 529 683	38 270 776
Provision for incurred but not reported claims	33 633 353	32 266 006
Provision for unearned premiums	42 493 205	37 899 787
TOTAL	113 656 241	108 436 569
Reinsurer's share		
Provision for incurred and reported claims and claims handling expenses	2 242 095	2 560 097
Provision for incurred but not reported claims	410 929	388 796
Provision for unearned premiums	1 577 172	896 685
TOTAL	4 230 196	3 845 578
Net		
Provision for incurred and reported claims and claims handling expenses	35 287 588	35 710 679
Provision for incurred but not reported claims	33 222 423	31 877 210
Provision for unearned premiums	40 916 033	37 003 101
TOTAL	109 426 044	104 590 991

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, members of the Supervisory Board, and other management individual

Insurance contracts with total premiums of 4,125 euros were concluded with the management individuals in the financial period (QI-II 2011: 4,044 euros). The Management Board members received a total of 396,376 euros in remuneration, including social tax (QI-II 2011: 357,286 euros). During the reporting period, Management Board members did not get severance pay. No remuneration was paid to members of the Supervisory Board.

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 group.

	Calculated reinsurance premiums		Indemnifications and commissions received	
	Q I-II 2012	Q I-II 2011	Q 1-II 2012	Q 1-II 2011
If P&C Insurance Ltd (Sweden)	1 490 310	1 606 238	47 545	599 214
If P&C Insurance Ltd (Finland)	123 095	92 128	9 233	1 868

Receivables and payables related to the above transactions as of 30.06.2012 and 31.12.2011:

	30.06.2012	31.12.2011
Receivables		
If P&C Insurance Ltd (Sweden)	1 468 609	1 470 398
If P&C Insurance Ltd (Finland)	5 000	5 000
Payables		
If P&C Insurance Ltd (Sweden)	2 095 744	1 101 386
If P&C Insurance Ltd (Finland)	5 018	5 018

Other related party transactions, transactions with other group companies

	Services purchased		Services rendered	
	Q 1-II 2012	Q 1-II 2011	Q 1-II 2012	Q 1-II 2011
Mandatum Life Insurance Baltic SE	180	-	35 755	21 128
Nordea Group companies	50 944	54 433	352 641	288 326
Sampo PLC	173 000	122 000	-	-

Receivables and payables related to the above transactions as of 30.06.2012 and 31.12.2011:

	30.06.2012	31.12.2011
Receivables		
Mandatum Life Insurance Baltic SE	10 164	3 173
Nordea Grupi ettevõtte	30 434	34 340
If P&C Insurance Ltd (Sweden)	467	410
If P&C Insurance Company Ltd (Finland)	-	-
If IT Services AS	13 338	23 949
Payables		
Mandatum Life Insurance Baltic SE	-	214
Nordea Group companies	14 258	14 638
Sampo PLC	83 000	97 000

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

	30.06.2012	31.12.2011
Financial assets		
Nordea Group companies	9 736 848	12 242 540
	Q 1-II 2012	Q I-II 2011
Investment income/expense		
Nordea Group companies	65 834	123 083