

If P&C Insurance AS

Consolidated Interim Report

3rd Quarter 2013

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 2013*
End of reporting period: *30 September 2013*
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If P&C Insurance AS management board have compiled 3rd quarter 2013 consolidated interim report which is presented on pages 7-21.

Member of the Management Board	Heinar Olak	/Signature/	28.11.2013
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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 26.4% in the first nine months of 2013 (QI-III 2012: 27.9%). The Latvian branch of If Insurance is the fourth largest non-life insurance company operating on the Latvian market in terms of market share – 11.8% in the first six months of 2013 (QI-II 2012: 12.1%) (the data for Latvia are published at a staggered interval and the current year six-month figures were not yet available as of this writing). The Lithuanian branch of If Insurance is sixth in terms of market share on the Lithuanian non-life insurance market – market share in the first nine months of 2013 was 7.2% (QI-III 2012: 7.7%).

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 Support Services AS (previous name AS If Kinnisvarahaldus).

Results for the nine months of 2013

The economy in the Baltic States continued to recover in the third quarter of 2013. Latvia's and Lithuania's gross domestic product (GDP) grew by preliminary estimates in the third quarter of 2013 correspondingly by 4.2% and 2.0%, in Estonia GDP grew slower in the third quarter 0.4% respectively in the same time period. Economic growth has been primarily fuelled by increase in consumer spending, but also by a continued increase in industrial output. Economic development in the Baltic region in 2014 is estimated to be stable, but is dependent on the economic development of main export partners. The main contributor for growth in the Baltic States is expected to be growth in industrial production and exports, but also growth in domestic demand. Development in the Baltic States is strongly dependant on macro-economic development in Europe.

The growth of the economy has had a positive impact on the development of the insurance market. The Estonian non-life insurance market contracted by 5.9% in the first nine months of 2013, in Lithuania 9.7% and in first six months of 2013 the figure for Latvia was 2.9% (the data for Latvia are published at a staggered interval and the current year first nine months figures were not yet available as of this writing). The Latvian non-life insurance market showed the strongest growth in Personal Accident lines, with especially strong growth in Health products. The growth in Latvia was mainly supported by macro-economic development, and also government institutions starting to insure their employees to a higher extent. In Estonia the main contributor for growth was Motor Own Damage insurance, Private and Corporate Property insurance; in Lithuania Motor Own Damage and Compulsory Motor TPL insurance, which increased both the number of objects than the average insurance premium.

In in the first nine months of 2013, If Insurance received insurance premiums of 89.2 million euros, increasing by 1.4 per cent year-over-year. Premium volumes increased in Latvia and Lithuania, stayed in the same level in Estonia. The growth of premium volumes in Lithuania was supported by all insurance lines of businesses except property insurance. In Latvia and Lithuania grew mostly personal lines and Motor Own Damage insurance.

The consolidated net profit of If Insurance was 11.5 million euros in the reporting period (QI-III 2012: 17.2 million euros), of which the profit of insurance activity amounted to 11.1 million euros (QI-III 2012: 11.9 million euros). The decrease in the technical result is explained by a higher number of large claims throughout 2013 compared to 2012.

The loss ratio, including claims adjustment expenses, worsened during the first nine months of 2013 and amounted to 59.9% (QI-III 2012: 57.5%). The worsened loss ratio is related to increase the number of large claims in the first nine months. The combined ratio increased to 87.0% (QI-III 2012: 85.8 %). The increase is explained by worsened loss ratio outcome. Expense ratio is positively affected by the continuous efforts of the customer service and claims handling processes and the development of cost-effective marketing.

Investments

The assets of the company have increased from 217.2 million euros as of the beginning of the year to 225.8 million euros as at 30 September 2013. The amount of financial assets (195.3 million euros as at 30 September 2013) exceeds by 80.1 million euros the obligations under insurance contracts net of reinsurance assets, which gives the company a strong liquidity reserve.

At the end of September YTD performance on investment portfolio was +0.2%, Market rates continued to move aggressively during third quarter, however changes were only modestly up since end of June. The company allocates more funds into short dated government bonds.

Fixed income portfolio's running yield has stayed at 0.9%. The overall duration of the portfolio was 1.7 years as of the end of September 2013 (increase by 0.2 years in comparison with the end of June).

The outlook is as follows: we prefer to add good risk/return credit instruments, however current credit market conditions are very tight.

Number of employees and workforce expenses

As of 30 September 2013, If P&C Insurance AS group employed 563 full-time employees (30.09.2012: 579 full-time employees) and the workforce expenses totalled 13.4 million euros (QI-III 2012: 12.3 million euros).

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

If sells insurance products to corporate and private customers via direct sales, internet, brokers and partners. If has 28 sales and customer service offices all over Estonia, with the largest offices located in Tallinn, Tartu and Pärnu. The company has 3 offices in Latvia and 10 in Lithuania, all located in the main towns. If holds the second largest position by insurance volumes among all non-life insurance providers in the Baltic States. The number of customers in the Baltics is approximately 340,000 and this includes both private individuals as well as companies.

Continued attention has been on improving existing e-solutions. In the first quarter of 2013 the company sold more than 30,000 policies via the Internet and 70% of claim statements also reach us over the Internet. If is confident that the growth trend on the Internet will continue as result of continued investments in product development and user friendliness of the Internet portal.

At the end of 2012 strategic partnership with Nordea Banking Group was agreed. This year third quarter the co-operation started to offer tailor made insurance solutions for Nordea customers.

As one of the 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 attentive to raising awareness of insurance products in society, especially in areas where insurance coverage is low or, in many cases, non-existent.

The company continues to focus on high quality in claims handling. Claims handling should take place with the highest speed and convenience for the customer. This is in line with If's slogan 'claims handling the way it should be'.

For property customers in Latvia If provides a 24/7 help service – the so-called Home Assistance service as the first line of help to a customer in case of any problems with property, around the clock, including on weekends.

In the coming years If will maintain focus on improving its back-end and front-end IT systems and pay special attention on improving the efficiency of business processes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Q III

in euros

	Note	Q III 2013	Q III 2012
REVENUE			
PREMIUMS EARNED, NET OF REINSURANCE			
Premiums earned		29 724 379	28 866 338
Premiums ceded		-700 724	-713 400
TOTAL	2	29 023 655	28 152 938
OTHER INCOME			
Reinsurance commissions		39 512	35 006
Return on investments	3	527 107	1 962 698
Other income		36 263	34 023
TOTAL		602 882	2 031 727
TOTAL REVENUE		29 626 537	30 184 666
EXPENSES			
CLAIMS INCURRED, NET OF REINSURANCE			
Claims incurred, gross	4	-16 482 158	-17 265 666
Reinsurer's share in claims paid	4	194 998	84 977
TOTAL		-16 287 159	-17 180 690
EXPENSES			
Insurance contract acquisition costs	5	-5 056 198	-5 173 126
Administrative expenses	5	-2 685 663	-2 797 593
TOTAL		-7 741 861	-7 970 719
TOTAL EXPENSES		-24 029 020	-25 151 409
NET RESULT BEFORE TAXES		5 597 517	5 033 257
INCOME TAX		-410 061	-151 375
NET PROFIT FOR THE FINANCIAL PERIOD		5 187 456	4 881 883
OTHER COMPREHENSIVE INCOME			
Change in the value of available-for-sale assets		196 280	79 829
Exchange differences on translating foreign operations		-67	742
TOTAL		196 213	80 571
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		5 383 668	4 962 453

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Q I-III

in euros

	Note	Q I-III 2013	Q I-III 2012
REVENUE			
PREMIUMS EARNED, NET OF REINSURANCE			
Premiums earned		86 791 285	85 362 781
Premiums ceded		-2 535 931	-2 434 854
TOTAL	2	84 255 354	82 927 926
OTHER INCOME			
Reinsurance commissions		210 826	192 588
Return on investments	3	884 708	6 055 279
Other income		145 293	92 164
TOTAL		1 240 827	6 340 031
TOTAL REVENUE		85 496 181	89 267 957
EXPENSES			
CLAIMS INCURRED, NET OF REINSURANCE			
Claims incurred, gross	4	-50 728 550	-47 555 009
Reinsurer's share in claims paid	4	228 124	-125 773
TOTAL		-50 500 426	-47 680 782
EXPENSES			
Insurance contract acquisition costs	5	-15 441 033	-15 404 417
Administrative expenses	5	-7 556 179	-8 234 206
TOTAL		-22 997 212	-23 638 623
TOTAL EXPENSES		-73 497 638	-71 319 405
NET RESULT BEFORE TAXES		11 998 543	17 948 552
INCOME TAX		-455 710	-709 025
NET PROFIT FOR THE FINANCIAL PERIOD		11 542 833	17 239 527
OTHER COMPREHENSIVE INCOME			
Change in the value of available-for-sale assets		-205 299	79 829
Exchange differences on translating foreign operations		4 762	-38 922
TOTAL		-200 537	40 907
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		11 342 295	17 280 434

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in euros

	Note	30.09.2013	31.12.2012
ASSETS			
Cash and cash equivalents		4 144 191	2 622 241
Financial assets	6	195 308 331	184 710 115
Receivables related to insurance activities		12 043 349	12 416 217
Accrued income and prepaid expenses		3 871 485	3 858 181
Deferred tax asset		98 136	123 264
Reinsurance assets	9	3 983 410	3 408 072
Intangible assets	7	5 107 089	4 758 234
Property, plant and equipment	8	1 206 333	5 256 843
TOTAL ASSETS		225 762 323	217 153 167
LIABILITIES AND OWNER'S EQUITY			
Liabilities related to insurance activities		5 692 798	4 714 234
Accrued expenses and prepaid revenues		3 503 200	3 620 882
Liabilities arising from insurance contracts	9	119 170 332	115 764 353
Total liabilities		128 366 330	124 099 469
Share capital		6 391 165	6 391 165
Share premium		3 678 730	3 678 730
Mandatory reserve		2 362 314	2 362 314
Revaluation reserve		125 875	326 412
Retained earnings		73 295 077	59 576 002
Net profit for the year		11 542 833	20 719 075
Total owner's equity		97 395 993	93 053 698
TOTAL LIABILITIES AND OWNER'S EQUITY		225 762 323	217 153 167

CONSOLIDATED STATEMENT OF CASH FLOWS

in euros

	Note	Q I-III 2013	Q I-III 2012
Cash flow from operating activities			
Premiums received	2	88 216 702	86 804 170
Premiums ceded	2	-2 202 441	-1 934 805
Claims paid, incl. Claims handling expenses	4,5	-49 272 072	-43 556 068
Cash flow from reinsurance		1 651 555	223 551
Employee-related and service-related expenses		-23 159 258	-24 040 458
Investments in fixed income securities		-69 372 392	-200 700 722
Proceeds from disposals of fixed income securities		58 191 619	195 929 462
Investments in term deposits		-36 950 000	-77 870 000
Return on term deposits		36 520 000	103 300 000
Interest received		1 151 907	1 805 382
Cash flow operating activities, net		4 775 621	39 960 513
Cash flow from investing activities			
Purchase of property, plant and equipment, and intangible assets	7,8	-1 240 205	-1 076 382
Proceeds from disposal of property, plant and equipment, and intangible assets		4 991 359	11 645
Cash flow from investing activities, net		3 751 154	-1 064 737
Cash flow from financing activities			
Paid dividend		-7 000 000	-39 000 000
Cash flow from financing activities, net		-7 000 000	-39 000 000
Change in cash flow, net		1 526 775	-104 224
Cash and cash equivalents at the beginning of the period		2 622 241	2 859 840
Effects of exchange rate changes on cash and cash equivalents		-4 825	3 952
Cash and cash equivalents at the end of the period		4 144 191	2 759 569

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in euros

	Restricted equity			Unrestricted					Total equity
	Share capital	Share premium	Mandatory reserve	Revaluation reserve	Available-for-sale-financial assets	Foreign currency translation reserve	Retained earnings	Net profit for the year	
Equity at beginning of 2012	6 391 165	3 678 730	2 362 314	-	43 433	98 576 002	-	111 051 644	
Paid dividends	-	-	-	-	-	-39 000 000	-	-39 000 000	
Other comprehensive income	-	-	-	-	-45 663	-	-	-45 663	
Profit for the year	-	-	-	328 642	-	-	20 719 075	21 047 717	
Equity at end of 2012	6 391 165	3 678 730	2 362 314	328 642	-2 230	59 576 002	20 719 075	93 053 698	
Equity at beginning of 2013	6 391 165	3 678 730	2 362 314	328 642	-2 230	80 295 077	-	93 053 698	
Paid dividends	-	-	-	-	-	-7 000 000	-	-7 000 000	
Other comprehensive income	-	-	-	-205 299	4 762	-	-	-200 537	
Profit for the year	-	-	-	-	-	-	11 542 833	11 542 833	
Equity at 30.09. 2013	6 391 165	3 678 730	2 362 314	123 343	2 532	73 295 077	11 542 833	97 395 993	

As of 30 September 2013 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 2012 annual report, the management board proposed to distribute 7,000,000 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. The purpose of the provision is to incentivize the free movement of capital and likewise to ensure conformity with EU law.

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 If P&C Insurance AS annual report for the financial year ended 31 December 2012 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 9-months of 2013 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 Support Services AS (previous name AS If Kinnisvarahaldus).

Note 2. Premiums earned, net of reinsurance

	Q I-III 2013	Q I-III 2012
Premiums written, gross	89 240 807	87 995 995
incl. 100% of the reinsured portion	1 419 659	1 184 421
Change in the provision for unearned premiums	-2 449 523	-2 633 215
Premiums earned, gross of reinsurance	86 791 285	85 362 781
Reinsurance premiums	-3 056 982	-2 707 564
Change in the provision for unearned premiums	521 051	272 710
Premiums earned, ceded	-2 535 931	-2 434 854
TOTAL	84 255 354	82 927 926

Note 3. Return on investments

	Q I-III 2013	Q I-III 2012
<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	948 957	2 146 848
<i>Designated at fair value through profit or loss at inceptions:</i>		
From certificates of deposits	26 195	226 390
Financial assets available for sale		
From bonds and other fixed income securities	282 830	6 430
Loans and receivables		
From deposits	69 709	226 955
From cash and cash equivalents	1 226	3 989
	1 328 917	2 610 612
<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	-	323 152
<i>Designated at fair value through profit or loss at inceptions:</i>		
From certificates of deposits	-	9 098
Financial assets available for sale		
From bonds and other fixed income securities	1 856	-
	1 856	332 250
<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	-100	-
Financial assets available for sale		
From bonds and other fixed income securities	-443	-
	-543	-
<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	-179 529	3 443 940
<i>Designated at fair value through profit or loss at inceptions:</i>		
From certificates of deposits	-21 956	7 373
	-201 485	3 451 312
<u>Investment expenses</u>	-244 038	-338 896
TOTAL RETURN ON INVESTMENTS	884 708	6 055 279

Reconciliation of fair value reserve of available-for-sale financial assets	Q I-III 2013	Q I-III 2012
Opening balance, available-for-sale financial assets	328 642	-
Changes in fair value during the year, recognized in comprehensive income	-205 299	150 729
Closing balance, available-for-sale financial assets	123 343	150 729

Note 4. Claims incurred, net of reinsurance

	Q I-III 2013	Q I-III 2012
Gross		
Claims paid during the year related to that year	-34 851 936	-32 233 543
Claims paid related to previous years	-15 768 937	-14 302 354
Amounts recovered from salvage and recourses	3 779 555	5 560 840
Change in the provision for claims outstanding	-1 133 997	-3 933 448
Claims handling costs	-2 753 234	-2 646 503
TOTAL	-50 728 549	-47 555 009
Reinsurer's share		
Claims paid during the year related to that year	21 961	113 700
Claims paid related to previous years	139 848	57 031
Change in the provision for claims outstanding	66 315	-296 505
TOTAL	228 124	-125 773
Net		
Claims paid during the year related to that year	-31 050 420	-26 559 003
Claims paid related to previous years	-15 629 089	-14 245 323
Claims handling costs	-2 753 234	-2 646 503
Change in the provision for claims outstanding	-1 067 682	-4 229 953
TOTAL	-50 500 426	-47 680 782

Note 5. Operating expenses

	Q I-III 2013	Q I-III 2012
Personnel expenses	-13 354 738	-12 339 797
Commissions to intermediaries	-6 875 182	-6 849 343
Data processing	-1 631 550	-2 005 829
Expenses on premises	-1 697 256	-1 897 114
Office expenses (incl. communication expenses)	-794 220	-932 703
Other operating expenses	-1 397 502	-2 260 339
TOTAL	-25 750 447	-26 285 126

Division of costs on the basis of functions:

Insurance contract acquisition costs	-15 441 033	-15 404 417
Administrative expenses	-7 556 180	-8 234 206
Claims handling expenses	-2 753 234	-2 646 503
TOTAL	-25 750 447	-26 285 126

Note 6. Financial assets

	30.09.2013	31.12.2012
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	112 764 029	130 413 758
- listed	112 764 016	130 371 334
- unlisted	13	42 425
incl. with a floating interest rate	55 157 925	69 759 267
incl. with a fixed interest rate (2.0% - 6.0%)	57 606 104	60 654 492
<i>Designated at fair value through profit or loss at inception:</i>		
Certificates of deposits	-	15 855 760
- unlisted with a fixed interest rate	-	15 855 760
TOTAL	112 764 093	146 269 582
Financial assets available for sale		
Bonds and other fixed income securities	59 029 423	15 330 292
- listed	47 942 867	12 333 666
- unlisted	11 086 556	2 996 626
incl. with a fixed interest rate (0.0% - 3.75%)	59 029 423	15 330 292
TOTAL	59 029 423	15 330 292

	30.09.2013	31.12.2012
Loans and receivables		
Term deposits	23 514 815	23 110 240
TOTAL	23 514 815	23 110 240
FINANCIAL ASSETS TOTAL	195 308 331	184 710 115

Division of bonds and other fixed income securities by issuers

	30.09.2013	31.12.2012
Issued by Estonian companies	4 492 839	4 427 645
Issued by foreign governments	28 698 400	-
Issued by foreign financial institutions	105 737 039	123 802 694
Issued by foreign companies	32 865 174	33 369 471
TOTAL	171 793 452	161 599 811

Ratings of bond issuers (S&P)

	Percentage of fair value	
	30.09.2013	31.12.2012
AAA	24.1%	8.0%
AA+ until AA-	23.6%	27.9%
A+ until A-	30.0%	40.6%
BBB+ until BBB-	17.6%	22.8%
BB	0.6%	0.7%
Non rated	4.1%	0.0%
TOTAL	100%	100%

Division of bonds and other fixed income securities by maturity terms

	30.09.2013	31.12.2012
up to 1 year	75 842 919	66 029 067
1-2 years	10 698 235	40 310 033
2-5 years	59 734 248	36 669 196
5-10 years	25 518 050	18 591 515
TOTAL	171 793 452	161 599 811

Note 7. Intangible assets

	Computer software
Net book value 31.12.2011	3 883 850
Acquisition (incl. prepayment)	1 613 283
Write-off	-133 343
Acquisition cost 31.12.2012	9 689 406
-incl. fully depreciated	3 746 835
Depreciation charge for the year	-635 441
Depreciation of written-off non-current assets	26 159
Accumulated depreciation 31.12.2012	-4 949 730
Translation differences	18 558
Net book value 31.12.2012	4 758 234
Acquisition (incl. prepayment)	1 063 074
Acquisition cost 30.09.2013	10 752 480
-incl. fully depreciated	3 775 966
Depreciation charge for the year	-702 909
Accumulated depreciation 30.09.2013	-5 652 637
Translation differences	7 247
Net book value 30.09.2013	5 107 089

Note 8. Property, plant and equipment

	Land	Buildings	Other PPE	TOTAL
Net book value 31.12.2011	383 937	4 474 873	782 874	5 641 683
Acquisition	-	-	239 175	239 175
Write-off	-	-	-459 587	-459 587
Disposal	-	-	-435 586	-435 586
Acquisition cost 31.12.2012	383 937	6 852 817	3 487 057	10 723 811
-incl. fully depreciated	-	-	2 078 110	2 078 110
Depreciation charge for the year	-	-137 536	-450 256	-587 792
Depreciation charge of sales and disposals	-	-	858 774	858 774
Accumulated depreciation 31.12.2012	-	-2 515 481	-2 956 002	-5 471 483
Translation differences	-	-	4 515	4 515
Net book value 31.12.2012	383 937	4 337 336	535 570	5 256 843
Acquisition	-	-	430 570	430 570
Write-off	-	-	-166 231	-166 231
Disposal	-380 528	-6 116 076	-143 988	-6 640 593
Acquisition cost 30.09.2013	3 409	736 741	3 607 408	4 347 557
-incl. fully depreciated	-	-	2 266 404	2 266 404
Depreciation charge for the year	-	-62 218	-264 804	-327 022
Depreciation charge of sales and disposals	-	2 371 674	282 240	2 653 914
Accumulated depreciation 30.09.2013	-	-206 025	-2 938 571	-3 144 596
Translation differences	-	-	3 372	3 372
Net book value 30.09.2013	3 409	530 715	672 209	1 206 333

Note 9. Liabilities related to insurance contracts and reinsurance assets

	30.09.2013	31.12.2012
Gross		
Provision for incurred and reported claims and claims handling expenses	45 719 426	45 573 594
Provision for incurred but not reported claims	32 242 565	31 346 623
Provision for unearned premiums	41 208 341	38 844 137
TOTAL	119 170 332	115 764 353
Reinsurer's share		
Provision for incurred and reported claims and claims handling expenses	2 220 107	2 194 640
Provision for incurred but not reported claims	475 564	442 661
Provision for unearned premiums	1 287 739	770 771
TOTAL	3 983 410	3 408 072
Net		
Provision for incurred and reported claims and claims handling expenses	43 499 319	43 378 954
Provision for incurred but not reported claims	31 767 001	30 903 962
Provision for unearned premiums	39 920 602	38 073 365
TOTAL	115 186 922	112 356 282

Note 10. Related party transactionsRelated 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 7,594 euros were concluded with the management individuals in the financial period (2012 9 months: 6,478 euros). The Management Board members received a total of 978,599 euros in remuneration, including social tax (2012 9 months: 784,126 euros). During the reporting period, Management Board members did not get severance. 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-III 2013	Q I-III 2012	Q I-III 2013	Q I-III 2012
If P&C Insurance Ltd (Sweden)	1 804 143	1 667 206	65 532	53 720
If P&C Insurance Company Ltd (Finland)	145 006	123 119	10 858	9 234

Receivables and payables related to the above transactions as of 30.09.2013 and 31.12.2012:

	30.09.2013	31.12.2012
Receivables		
If P&C Insurance Ltd (Sweden)	189 095	1 505 495
If P&C Insurance Company Ltd (Finland)	-	5 000
Payables		
If P&C Insurance Ltd (Sweden)	1 450 408	652 682
If P&C Insurance Ltd Company (Finland)	-	5 018

Other related party transactions, transactions with other group companies

	Services purchased		Services rendered	
	Q I-III 2013	Q I-III 2012	Q I-III 2013	Q I-III 2012
Mandatum Life Insurance Baltic SE	30	180	29 130	39 716
Nordea Group companies	65 931	72 216	460 748	353 041
If P&C Insurance Ltd (Sweden)	-	-	29 914	-
If P&C Insurance Company Ltd (Finland)	-	-	315 302	-
Sampo PLC	276 000	262 000	-	-
If IT Services AS	-	-	94 685	36 082

Receivables and payables related to the above transactions as of 30.09.2013 and 31.12.2012:

	30.09.2013	31.12.2012
Receivables		
Mandatum Life Insurance Baltic SE	6 400	2 914
Nordea Group companies	67 897	30 844
If P&C Insurance Ltd (Sweden)	74 464	34 543
If IT Services AS	47 372	16 348
IPSC Region	-	8 100

	30.09.2013	31.12.2012
Payables		
Mandatum Life Insurance Baltic SE	332	-
Nordea Group companies	332	15 883
Sampo PLC	94 000	93 000

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

	30.09.2013	31.12.2012
Financial assets		
Nordea Group companies	3 016 036	10 395 145

	Q I-III 2013	Q I-III 2012
Investment income/expense		
Nordea Group companies	7 177	112 730