

*If P&C Insurance AS*

**Interim Report**

**2<sup>nd</sup> Quarter 2017**

**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 2017*  
End of reporting period: *30 June 2017*  
CEO: *Andris Morozovs*  
Auditor: *Ernst & Young Baltic AS*

If P&C Insurance AS management board have compiled 2<sup>nd</sup> quarter 2017 interim report which is presented on pages 7 - 20.

Member of the Management Board	Artur Praun	/Signature/	29.08.2017
Member of the Management Board	Heinar Olak	/Signature/	29.08.2017

---

**TABLE OF CONTENTS**

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

---

## 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 (publ)”, 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. Sampo Group is also the major shareholder in Nordea banking group.

The Baltic market covers both private individuals and corporate customers. If has been offering property and casualty insurance in the Baltic markets since 1992. If has approximately 295,000 policyholders across the Baltic countries and is the market leader in Estonia.

The Company is registered in Estonia and operates via 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 for the six months of 2017

Baltic economies continue to develop well in 2017, driven by growth in private consumption, increase in industrial production, investments and growth in export volumes. The economic growth is driving the Property and Casualty insurance market volume growth, but also the relatively strong price increases especially in Motor lines due to poor profitability for the entire insurance industry is adding to the volume growth, price increases became even more noticeable in second quarter 2017.

The Company’s gross written premiums increased by €2.2 million to €71.6 million (6M 2016: €69.4 million). The Company written premiums increased fastest in Lithuania, Lithuanian market was the fastest growing non-life insurance market in Baltic’s. The Company growth was continued weak in Latvia, as the market, especially in Motor area, is very competitive resulting in poor financial results for the entire insurance industry. The Company continue to focus on risk selection and targeted price adjustments. Gross written premiums volume was stable in Estonia.

In first six months of 2017, the technical result increased by €0.3 million to €6.4 million (6M 2016: €6.1 million). The claims outcome during the first half year was favourable mainly due to a rather mild winter weather in the beginning of the year. Claims cost, including claims handling costs, decreased by €0.6 million to € 42.0 million (6M 2016: €42.6 million).

The operating expenses reduced due to various efficiency measures and due to continued transfer of business volumes from broker distribution to Company internal distribution channels, especially Internet channel continued to grow fast.

The loss ratio, including claims handling costs, stayed nearly at the same level during first six months 2017 and amounted to 65.2% (6M 2016: 65.3%). Claims frequency reduced within the most of the product areas, cost for large claims was on the same level as year before.

The combined ratio improved to 90.0% (6M 2016: 90.7 %) due to favourable claims cost development and price increases in Motor lines

The overall net profit after tax stood at €7.2 million (6M 2016: €6.7 million)

**KEY FIGURES**

€000	Q I-II 2017	Q I-II 2016
Premiums written, gross	71,614	69,427
Premiums earned, net of reinsurance	64,378	65,236
Claims incurred, net of reinsurance	42,012	42,621
Operating expenses <sup>1</sup>	15,941	16,541
Result from insurance <sup>2</sup>	6,425	6,074
Net profit	7,163	6,672
Combined ratio <sup>3</sup>	90.0%	90.7%
Expense ratio <sup>4</sup>	24.8%	25.4%
Loss ratio <sup>5</sup>	65.2%	65.3%
Return on investments <sup>6</sup>	0.3%	1.9%

**Formulas:**

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

### Investment result

The value of financial investments stood at €259.0 million as of 30<sup>th</sup> June 2017 a figure which is €121.5 million higher than the obligated amount stipulated under insurance contracts net of reinsurance.

Applying the full market valuation, profit from asset management decreased to €0.32 million down from €2.29 million in six months 2016 with a return ratio of 0.25% compared to 1.91% previously. Net investment return amounted to €0.87 million as opposed to six months 2016's €0.70 million on the income statement, whilst €-0.55 million was recorded under other comprehensive income down from €1.59 million in 2016. The portfolio running yield increased to 1.0%, and duration rose to 2.3 years as opposed to 1.6 years in 2016.

The prevailing low interest rate environment is a serious challenge for the investment portfolio. The strong involvement of the European Central Bank in the fixed income markets has resulted in a downward spiral for European short and long term rates, which means that it is increasingly difficult to re-invest maturing instruments at attractive levels. However, our investment focus remains unchanged, i.e. 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 30<sup>th</sup> June 2017 the number of full time employees in If Insurance was 598 (31.12.2016: 572) and the Company's expenses in the reporting period for personnel totalled €9.9 million (6M 2016: €9.3 million).

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

In April was launched a new bonus program If Plus in Estonia that has received positive feedback from our private customers. It is a new approach on the Estonian insurance market in general, as only If offers bonus program in such form which values customer loyalty. With this bonus program is aimed to give to as many as possible private customers a possibility to get part from If Plus bonuses. For the customer, it means in particular a possibility to obtain more insurance coverages with a favorable price.

During the first quarter of this year, new marketing communication concept "It's easy to help" was launched in Latvia and Lithuania. With our message that it is easy to help, we are encouraging the whole society to be more helpful and strengthen our image as a caring, human insurance company.

If Company pay continuous attention to development of digital solutions. E-bureau functions successfully in Estonia and we make efforts to deploy the same solution in Latvia and Lithuania as well. Customers increasingly want to buy traditional insurance solutions via e-channel, and in this respect If wants to offer the best solution on the market. Additionally, customers prefer to report claims in case of a loss via e-channel and during the first six months in Estonia 82% of claims were reported via the Internet.

In the second quarter new travel insurance solution was launched in Latvia. Although this release is still for limited use and functionality, it is an important milestone on our journey towards modern digital experience for our customers, providing fast and simple user experience. We are looking forward to witness accelerating speed in delivering other online products to our customers in Latvia in Lithuania.

We are happy that If was mentioned among 15 most reputable companies in Lithuania. We believe that the reason of If's good public image, first of all, lies in our excellent customer service, claims handling, and stable business results. In Lithuania, we are continuing our efforts to make the remote channels – internet, telephone and e-mail – the primary channels to serve our private customers. Nearly 95% of private customers are being served remotely – it both saves our customers' time and makes our sales more efficient. Customers also use our new self-service and payment terminals in the regional offices.

## STATEMENT OF COMPREHENSIVE INCOME Q II

€000	Note	Q II 2017	Q II 2016
<b>PREMIUMS EARNED, NET OF REINSURANCE</b>			
Premiums earned		33,338	33,211
Premiums ceded		-640	-602
<b>TOTAL</b>	2	<b>32,698</b>	<b>32,609</b>
<b>OTHER INCOME</b>			
Return on investments	3	610	331
Reinsurance commissions and other income		51	55
<b>TOTAL</b>		<b>661</b>	<b>386</b>
<b>TOTAL REVENUE</b>		<b>33,359</b>	<b>32,995</b>
<b>CLAIMS INCURRED, NET OF REINSURANCE</b>			
Claims incurred, gross	4	-21,646	-21,195
Reinsurer's share in claims paid	4	517	293
<b>TOTAL</b>		<b>-21,129</b>	<b>-20,902</b>
<b>EXPENSES</b>			
Insurance contract acquisition costs	5	-5,279	-5,733
Administrative expenses	5	-3,082	-2,880
<b>TOTAL</b>		<b>-8,361</b>	<b>-8,613</b>
<b>TOTAL CLAIMS AND EXPENSES</b>		<b>-29,490</b>	<b>-29,515</b>
<b>NET RESULT BEFORE TAXES</b>		<b>3,869</b>	<b>3,480</b>
INCOME TAX		-74	138
<b>NET PROFIT FOR THE FINANCIAL PERIOD</b>		<b>3,795</b>	<b>3,618</b>
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED IN SUBSEQUENT PERIODS:</b>			
Change in the value of available-for-sale assets		-522	737
<b>TOTAL</b>		<b>-522</b>	<b>737</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<b>3,273</b>	<b>4,355</b>

## STATEMENT OF COMPREHENSIVE INCOME

€000	Note	Q I-II 2017	Q I-II 2016
<b>PREMIUMS EARNED, NET OF REINSURANCE</b>			
Premiums earned		65,632	66,404
Premiums ceded		-1,254	-1,168
<b>TOTAL</b>	2	<b>64,378</b>	<b>65,236</b>
<b>OTHER INCOME</b>			
Return on investments	3	870	696
Reinsurance commissions and other income		167	158
<b>TOTAL</b>		<b>1,037</b>	<b>854</b>
<b>TOTAL REVENUE</b>		<b>65,415</b>	<b>66,090</b>
<b>CLAIMS INCURRED, NET OF REINSURANCE</b>			
Claims incurred, gross	4	-42,873	-43,131
Reinsurer's share in claims paid	4	861	510
<b>TOTAL</b>		<b>-42,012</b>	<b>-42,621</b>
<b>EXPENSES</b>			
Insurance contract acquisition costs	5	-10,262	-11,217
Administrative expenses	5	-5,846	-5,481
<b>TOTAL</b>		<b>-16,108</b>	<b>-16,698</b>
<b>TOTAL CLAIMS AND EXPENSES</b>		<b>-58,120</b>	<b>-59,319</b>
<b>NET RESULT BEFORE TAXES</b>		<b>7,295</b>	<b>6,771</b>
INCOME TAX		-132	-98
<b>NET PROFIT FOR THE FINANCIAL PERIOD</b>		<b>7,163</b>	<b>6,673</b>
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED IN SUBSEQUENT PERIODS:</b>			
Change in the value of available-for-sale assets		-550	1,591
<b>TOTAL</b>		<b>-550</b>	<b>1,591</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<b>6,613</b>	<b>8,264</b>



## STATEMENT OF FINANCIAL POSITION

€000	Note	30.06.2017	31.12.2016
<b>ASSETS</b>			
Cash and cash equivalents		7,074	12,178
Financial investments	6	259,045	244,971
Receivables related to insurance activities		14,769	11,097
Accrued income and prepaid expenses		4,120	3,734
Reinsurance assets	8	4,140	2,717
Deferred tax asset		113	128
Investment in subsidiary		88	88
Property, plant and equipment	7	522	595
<b>TOTAL ASSETS</b>		<b>289,871</b>	<b>275,508</b>
<b>LIABILITIES AND OWNER'S EQUITY</b>			
Liabilities related to insurance activities		5,336	4,878
Accrued expenses and prepaid revenues		4,519	4,490
Liabilities arising from insurance contracts	8	141,675	130,612
<b>Total liabilities</b>		<b>151,530</b>	<b>139,980</b>
Share capital		6,391	6,391
Share premium		3,679	3,679
Mandatory reserve		2,362	2,362
Revaluation reserve		2,953	3,503
Retained earnings		115,793	106,004
Net profit for the year		7,163	13,589
<b>Total owner's equity</b>		<b>138,341</b>	<b>135,528</b>
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>		<b>289,871</b>	<b>275,508</b>

## STATEMENT OF CHANGES IN EQUITY

€000	Share capital	Share premium	Mandatory reserve	Fair value reserve	Retained earnings	Net profit for the year	Total equity
<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>126,757</b>
Paid dividends <sup>1)</sup>	-	-	-	-	-6,900	-	<b>-6,900</b>
Other comprehensive income	-	-	-	2,082	-	-	<b>2,082</b>
Profit for the year	-	-	-	-	-	13,589	<b>13,589</b>
<b>Equity at end of 2016</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>3,503</b>	<b>106,004</b>	<b>13,589</b>	<b>135,528</b>
<b>Equity at beginning of 2017</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>3,503</b>	<b>119,593</b>	-	<b>135,528</b>
Paid dividends <sup>1)</sup>	-	-	-	-	-3,800	-	<b>-3,800</b>
Other comprehensive income	-	-	-	-550	-	-	<b>-550</b>
Profit for the year	-	-	-	-	-	7,163	<b>7,163</b>
<b>Equity as at 30.06.2017</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>2,953</b>	<b>115,793</b>	<b>7,163</b>	<b>138,341</b>

- <sup>1)</sup> In March 2017, the Company distributed 3.8 million euros (2016: 6.9 million 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 2017	Q I-II 2016
<b>Cash flow from operating activities</b>			
Premiums received	2	68,657	66,869
Premiums ceded	2	-1,646	-1,780
Claims paid, incl. claims handling expenses	4, 5	-38,012	-38,812
Cash flow from reinsurance		170	119
Employee-related and service-related expenses		-16,764	-17,036
Investments in bonds and other interest-bearing securities		-66,925	-37,363
Proceeds from disposals of bonds and other interest-bearing securities		40,656	16,909
Proceeds from term deposits		11,000	13,000
Interest received		1,836	1,548
Income tax paid		-194	-731
<b>Cash flow operating activities, total</b>		<b>1,222</b>	<b>2,723</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	7	-85	-49
Proceeds from disposal of property, plant and equipment		3	1
<b>Cash flow from investing activities, total</b>		<b>-82</b>	<b>-48</b>
<b>Cash flow from financing activities</b>			
Paid dividends		-3,800	-6,900
<b>Cash flow from financing activities</b>		<b>-3,800</b>	<b>-6,900</b>
<b>Change in cash flow</b>		<b>5,104</b>	<b>4,225</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>12,178</b>	<b>10,115</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>7,074</b>	<b>5,890</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 2016 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 first six months of 2017 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 2017	Q I-II 2016
Premiums written, gross	71,614	69,427
Change in the provision for unearned premiums	-5,982	-3,023
<b>Premiums earned, gross of reinsurance</b>	<b>65,632</b>	<b>66,404</b>
Reinsurance premiums	-1,830	-1,750
Change in the provision for unearned premiums	576	582
<b>Premiums earned, ceded</b>	<b>-1,254</b>	<b>-1,168</b>
<b>TOTAL</b>	<b>64,378</b>	<b>65,236</b>

**Note 3. Return on investments**

<b>€000</b>	<b>Q I-II 2017</b>	<b>Q I-II 2016</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	386	647
<b>Available-for-sale financial assets</b>		
From bonds and other interest-bearing securities	837	733
<b>Loans and receivables</b>		
From deposits	5	12
From cash and cash equivalents	1	1
<b>TOTAL</b>	<b>1,229</b>	<b>1,393</b>
<u>Profit from disposals</u>		
<b>Available-for-sale financial assets</b>		
From bonds and other interest-bearing securities	319	13
<b>TOTAL</b>	<b>319</b>	<b>13</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	-337	-394
<b>TOTAL</b>	<b>-337</b>	<b>-394</b>
<b>Investment expenses</b>	<b>-341</b>	<b>-316</b>
<b>TOTAL RETURN ON INVESTMENTS</b>	<b>870</b>	<b>696</b>
<b>Reconciliation of fair value reserve of available-for-sale financial assets</b>		
	<b>Q I-II 2017</b>	<b>Q I-II 2016</b>
<b>Opening balance, available-for-sale financial assets</b>	<b>3,504</b>	<b>1,421</b>
Unrealized result, available-for-sale financial assets, recognized in comprehensive income	-231	1,605
Realized result, recognized in income statement	-319	-13
<b>Closing balance, available-for-sale financial assets</b>	<b>2,954</b>	<b>3,013</b>
Total result in fair value available-for-sale financial assets during the year	-550	1,592

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

<b>€000</b>	<b>Q I-II 2017</b>	<b>Q I-II 2016</b>
<b>Gross</b>		
Claims paid during the year related to that year	-23,076	-27,943
Claims paid related to previous years	-16,809	-14,156
Amounts recovered from salvage and recourses	4,090	4,910
Change in the provision for claims outstanding	-5,081	-4,077
Claims handling costs	-1,997	-1,865
<b>TOTAL</b>	<b>-42,873</b>	<b>-43,131</b>
<b>Reinsurer's share</b>		
Claims paid during the year related to that year	2	-
Claims paid related to previous years	11	19
Change in the provision for claims outstanding	848	491
<b>TOTAL</b>	<b>861</b>	<b>510</b>
<b>Net</b>		
Claims paid during the year related to that year	-23,074	-27,943
Claims paid related to previous years	-16,798	-14,137
Amounts recovered from salvage and regresses	4,090	4,910
Change in the provision for claims outstanding	-4,233	-3,586
Claims handling costs	-1,997	-1,865
<b>TOTAL</b>	<b>-42,012</b>	<b>-42,621</b>

**Note 5. Expenses**

€000	Q I-II 2017	Q I-II 2016
Personnel expenses	-9,861	-9,317
Commissions to intermediaries	-4,518	-4,956
Data processing	-920	-973
Expenses on premises	-1,038	-1,013
Office expenses (incl. communication expenses)	-435	-499
Other operating expenses	-1,333	-1,805
<b>TOTAL</b>	<b>-18,105</b>	<b>-18,563</b>

*Division of costs on the basis of functions:*

Insurance contract acquisition costs	-10 262	-11,217
Administrative expenses	-5 846	-5,481
Claims handling expenses	-1 997	-1,865
<b>TOTAL</b>	<b>-18 105</b>	<b>-18,563</b>

**Note 6. Financial investments**

€000	30.06.2017	31.12.2016
<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, with a fixed interest rate (3.375%-5.5%;		
31.12.2016: 2.375%-5.5%)	13,957	35,722
<b>Available-for-sale financial assets</b>		
From bonds and other interest-bearing securities		
- listed	225,334	180,499
- unlisted	8,750	6,748
incl. with a floating interest rate	92,688	93,405
incl. with a fixed interest rate (0.00%-3.75%;		
31.12.2016: 0.04%-3.75%)	141,396	93,842
<b>TOTAL</b>	<b>234,084</b>	<b>187,247</b>
<b>Loans and receivables</b>		
Term deposits	11,004	22,002
<b>FINANCIAL INVESTMENTS TOTAL</b>	<b>259,045</b>	<b>244,971</b>

Term deposits earn an annual interest 0.05% (as of 31.12.2016: 0.05%).

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

<b>€000</b>	<b>30.06.2017</b>	<b>31.12.2016</b>
Issued by Estonian companies	4,322	4,314
Issued by foreign governments	2,467	2,505
Issued by foreign financial institutions	99,481	107,192
Issued by foreign companies	141,771	108,957
<b>TOTAL</b>	<b>248,041</b>	<b>222,968</b>

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

	<b>Percentage of fair value</b>	
	<b>30.06.2017</b>	<b>31.12.2016</b>
AAA	2.0%	4.6%
AA+ until AA-	24.1%	29.7%
A+ until A-	29.5%	31.5%
BBB+ until BBB-	27.4%	27.1%
BB	0.9%	0.5%
Non rated	16.1%	6.6%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

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

<b>€000</b>	<b>30.06.2017</b>	<b>31.12.2016</b>
up to 1 year	8,620	38,170
1-2 years	36,560	6,818
2-5 years	153,516	164,089
5-10 years	49,345	13,892
<b>TOTAL</b>	<b>248,041</b>	<b>222,969</b>

**Deposits by maturity terms**

<b>€000</b>	<b>30.06.2017</b>	<b>31.12.2016</b>
up to 6 months	-	-
6-12 months	11,004	22,002
<b>TOTAL</b>	<b>11,004</b>	<b>22,002</b>



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

<b>€000</b>	<b>Other PPE</b>
<b>Net book value 31.12.2015</b>	<b>765</b>
Acquisition	206
Write-off	-1,343
Disposal	-88
Acquisition cost 31.12.2016	1,681
-incl. fully depreciated	514
Depreciation charge for the year	-335
Depreciation charge of sales and disposals	1,390
Accumulated depreciation 31.12.2016	-1,086
<b>Net book value 31.12.2016</b>	<b>595</b>
Acquisition	85
Disposal	-19
Acquisition cost 30.06.2017	1,747
-incl. fully depreciated	514
Depreciation charge for the year	-156
Depreciation charge of sales and disposals	17
Accumulated depreciation 30.06.2017	-1,225
<b>Net book value 30.06.2017</b>	<b>522</b>

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

€000	30.06.2017	31.12.2016
<b>Gross</b>		
Provision for incurred and reported claims and claims handling expenses	63,849	62,165
Provision for incurred but not reported claims	30,619	27,222
Provision for unearned premiums	47,207	41,225
<b>TOTAL</b>	<b>141,675</b>	<b>130,612</b>
<b>Reinsurer's share</b>		
Provision for incurred and reported claims and claims handling expenses	2,611	1,780
Provision for incurred but not reported claims	252	235
Provision for unearned premiums	1,277	702
<b>TOTAL</b>	<b>4,140</b>	<b>2,717</b>
<b>Net</b>		
Provision for incurred and reported claims and claims handling expenses	61,238	60,385
Provision for incurred but not reported claims	30,367	26,987
Provision for unearned premiums	45,930	40,523
<b>TOTAL</b>	<b>137,535</b>	<b>127,895</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 €426 thousand in remuneration, including social tax (2016 QI-II: €550 thousand). No termination benefits were paid to members of the Management Board during the reporting period (2016: €0). No remuneration was paid to members of the Supervisory Board in 2017 and 2016.

Insurance contracts with total premiums of €4 thousand were concluded with the management individuals in the financial period (2016 QI-II: €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 2017	Q I-II 2016	Q I-II 2017	Q I-II 2016
If P&C Insurance Ltd (Sweden)	1,154	1,013	8	4
If P&C Insurance Company Ltd (Finland)	-6	48	-	4
<b>Total</b>	<b>1,148</b>	<b>1,061</b>	<b>8</b>	<b>8</b>

Receivables and payables related to the above transactions as of 30.06.2017 and 31.12.2016:

€000	30.06.2017	31.12.2016
<b>Receivables</b>		
If P&C Insurance Ltd (Sweden)	2	-
<b>Payables</b>		
If P&C Insurance Ltd (Sweden)	712	498
If P&C Insurance Company Ltd (Finland)	10	38
<b>Total</b>	<b>722</b>	<b>536</b>

*Other related party transactions, transactions with other group companies*

€000	Services purchased		Services rendered	
	Q I-II 2017	Q I-II 2016	Q I-II 2017	Q I-II 2016
Mandatum Life Insurance Baltic SE	-	-	14	15
Nordea Group companies	135	270	290	274
If P&C Insurance Ltd (Sweden)	40	-	68	64
If P&C Insurance Company Ltd (Finland)	-	-	154	-
Sampo Plc	256	243	-	-
If IT Services A/S	309	-	-	1
Support Services AS	-	-	50	25
<b>Total</b>	<b>740</b>	<b>513</b>	<b>576</b>	<b>379</b>

Receivables and payables related to the above transactions as of 30.06.2017 and 31.12.2016:

€000	30.06.2017	31.12.2016
<b>Receivables</b>		
Mandatum Life Insurance Baltic SE	3	-
Nordea Group companies	80	65
If P&C Insurance Ltd (Sweden)	15	13
Support Services AS	1	1
<b>Total</b>	<b>99</b>	<b>79</b>

	30.06.2017	31.12.2016
<b>Payables</b>		
Mandatum Life Insurance Baltic SE	-	2
Nordea Group companies	20	20
Sampo Plc	129	126
If P&C Insurance Ltd (Sweden)	46	7
<b>Total</b>	<b>195</b>	<b>155</b>

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

€000	30.06.2017	31.12.2016
<b>Financial assets</b>		
Nordea Group companies	11,004	22,002

€000	Q I-II 2017	Q I-II 2016
<b>Investment income/expense</b>		
Nordea Group companies	5	11