

***SWEDBANK P&C INSURANCE AS***

***Interim Report***

***As of 31 December 2013***

# Swedbank P&C Insurance AS

## INTERIM REPORT OF Q3 OF 2013

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Business name	Swedbank P&C Insurance AS
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Principal activity	Provision of insurance services
CEO	Margus Liigand
Auditors	AS Deloitte Audit Eesti

### **SIGNATURES**

The Management Board has prepared this interim report of Q4 of 2013 of Swedbank P&C Insurance AS presented on pages 8–24. The interim report has been signed by members of the Management Board Margus Liigand, Ivika Torpel, Peeter Kabbun, Liutauras Jasiūnas. This file is generated in electronic format and does not include any signatures.

# Swedbank P&C Insurance AS

## TABLE OF CONTENTS

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<b>LETTER OF EXPLANATION .....</b>	<b>3</b>
IMPORTANT FINANCIAL INDICATORS .....	7
BALANCE SHEET .....	8
STATEMENT OF COMPREHENSIVE INCOME .....	9
STATEMENT OF CASH FLOWS .....	11
STATEMENT OF CHANGES IN EQUITY .....	12
<b>NOTES TO INTERIM REPORT.....</b>	<b>13</b>
NOTE 1. ACCOUNTING POLICIES AND PROCEDURES USED .....	13
NOTE 2. FINANCIAL INVESTMENTS.....	13
NOTE 3. REINSURANCE ASSETS.....	14
NOTE 4. TANGIBLE FIXED ASSETS .....	14
NOTE 5. LIABILITIES RELATED TO INSURANCE ACTIVITIES.....	16
NOTE 6. OTHER LIABILITIES.....	16
NOTE 7. PREMIUMS EARNED NET OF REINSURANCE .....	17
NOTE 8. CLAIMS INCURRED NET OF REINSURANCE.....	18
NOTE 9. GROSS PREMIUM AND CLAIMS PAID BY PRODUCTS .....	19
NOTE 10. ACQUISITION COSTS, NET OF REINSURANCE.....	20
NOTE 11. ADMINISTRATIVE EXPENSES .....	21
NOTE 12. INVESTMENT REVENUE AND EXPENSES .....	21
NOTE 13. RELATED PARTIES .....	23

# Swedbank P&C Insurance AS

## IMPORTANT FINANCIAL INDICATORS

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The sole shareholder of Swedbank P&C Insurance AS (hereinafter also the Company) is Swedbank AS. The share capital of the Company is EUR 3,000,020.

The Company operates in Estonia, Latvia and Lithuania. The Company provides motor own damage insurance, motor third party liability insurance, home and apartment building insurance and travel insurance. The Company also renders financial loss and accident insurance as well as travel insurance to credit card customers of Swedbank. Starting from Q2 the Company offers loan payment protection insurance for mortgage and small loans, also Lithuanian branch started to offer home insurance by bank tellers. The products of Swedbank P&C Insurance are sold through the sales channels of Swedbank. Customers can also enter into contracts by telephone and e-mail and partially via other e-channels.

### **Events after balance sheet date**

The Shareholder approved the Council Member Giedrius Dusevicius request to resign from the insurance provider's Council starting from 01.02.2014. Due to the ending of the authority of the Council member Māris Mančinskis from 06.02.2014 he is no longer a member of the Company's Council. The authority of Council member Jonas Jonsson was prolonged for 3 years starting from 07.02.2014 with the Shareholders decision, also, in addition Johanna Okasmaa Nilsson and Johannes Rudbeck were appointed as new Council members.

### **Results of Business Operations of Q4 of 2013**

The financial results of the Company in Q4 were good, being better than in Q4 2012, which is resulting from increased amount of premium income and lower level of claims. The loss ratio in Q4 was 51.5%, year before 58.0%. The loss ratio of 12 months was 55.4% (12 months 2012: 50.2%).

The operating expenses of the Company are still low, however expense ratio is increasing. The expense ratio for Q4 2013 was 16.1%, year before 15.1%. The increase of expense ratio is resulting from the increase of new sales, as well as improvements in organizational effectiveness. The expense ratio for 12 months was 14.5%, year before 12.5%.

The combined ratio of Q4 was 67.6% (Q4 2012: 73.2%), technical profit EUR 3.8 million (Q4 2012: EUR 2.8 million) and net profit EUR -8.2 million (Q4 2012: EUR 2.8 million). Negative net profit is resulting from accounted income tax from dividends, since in December 2013 the Company paid out dividends from retained earnings in amount of EUR 50 million and income tax from it was EUR 11.9 million. The combined ratio for 12 months was 69.9% (12 months 2012: 62.7%), technical profit EUR 13.4 million (12 months 2012: EUR 15.4 million) and net profit EUR 1.2 million (12 months 2012: EUR 15.7 million).

# Swedbank P&C Insurance AS

## IMPORTANT FINANCIAL INDICATORS

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### Sales results of Company in Estonia

(in thousands of euros)

	Q4 of 2013	Proportion	12 months 2013	Proportion
Motor own damage	4 652	49.3%	16 737	47.9%
Home insurance	2 663	28.2%	10 030	28.7%
Motor third party liability insurance	1 089	11.6%	4300	12.3%
Loan payment protection insurance	584	6.2%	2 250	6.4%
Travel insurance	382	4.0%	1 372	3.9%
Apartment building insurance	58	0.6%	244	0.7%
Other	6	0.1%	21	0.1%
<b>TOTAL</b>	<b>9 434</b>	<b>100%</b>	<b>34 954</b>	<b>100%</b>

### Sales Results of Company in Latvia

(in thousands of euros)

	Q3 of 2013	Proportion	12 months 2013	Proportion
Home insurance	888	48.9%	3 335	49.0%
Motor own damage	598	32.9%	2 181	32.0%
Motor third party liability insurance	205	11.3%	818	12.0%
Travel insurance	92	5.1%	380	5.6%
Loan payment protection insurance	9	0.5%	16	0.2%
Other	24	1.3%	82	1.2%
<b>TOTAL</b>	<b>1 816</b>	<b>100%</b>	<b>6 812</b>	<b>100%</b>

### Sales Results of Company in Lithuania

(in thousands of euros)

	Q4 of 2013	Proportion	12 months 2013	Proportion
Home insurance	505	46.0%	1 632	42.1%
Motor own damage	348	31.7%	1 329	34.3%
Travel insurance	180	16.3%	712	18.4%
Loan payment protection insurance	17	1.5%	25	0.6%
Other	49	4.5%	179	4.6%
<b>TOTAL</b>	<b>1 099</b>	<b>100%</b>	<b>3 877</b>	<b>100%</b>

# Swedbank P&C Insurance AS

## **IMPORTANT FINANCIAL INDICATORS**

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The volume of net premiums earned by the Company in Q4 was EUR 11.7 million (Q4 2012: EUR 10.5 million) and 12 months net premiums earned were EUR 44.5 million (12 months 2012: 41.4). The volume of net claims in Q4 was EUR 6.1 million (Q4 2012: EUR 6.0 million) and net claims of 12 months was EUR 24.7 million (12 months 2012: EUR 20.7 million).

The main source of the increase of insurance premiums in Q4 is active sales in home insurance and slowdown of motor own damage insurance payment decrease, compared to 2012 Q4 the motor own damage insurance payments have increased ca 1%.

### **Activities and events during Q4 2013**

The Company paid out dividends in amount of EUR 50 million.

In Q4 2013 the Latvian euro IT developments were finalized and by 31<sup>st</sup> of December the Company was successfully ready to incorporate euro in Latvia. SEPA (Single Euro Payment Area) IT developments were also finalized.

In Estonia and Latvia travel insurance campaigns were held, which had positive impact to the sales results.

### **Assets of Company**

The assets of the Company formed EUR 52.7 million as of 31. December 2013. Due to the dividends paid out, the decrease in the assets totalled EUR 45.7 million in Q4.

The volume of financial investments formed EUR 51.7 million, which is EUR 34.1 million less than at the end of 2012. The financial investments of the Company exceeded technical liabilities 3.5 times.

### **Number of Employees and Staff Costs**

As of 31 December 2013, the Company employed 87 people – 52 in Estonia, 20 in Latvia and 15 in Lithuania. Labour costs of Q4 were EUR 587.6 thousand (Q4 2012: EUR 510.2 thousand).

# Swedbank P&C Insurance AS

## **IMPORTANT FINANCIAL INDICATORS**

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### **Development of Business Operations and Future Forecasts of Swedbank P&C Insurance AS**

In relation to reorganization in Swedbank Baltic Banking operating model Swedbank P&C Insurance is also preparing changes in its structure and harmonization with Swedbank Baltic Banking operating model. Company is also planning to adapt its product offering to the new channel strategy of Swedbank. Furthermore, we are planning to contribute more in automation of our activities. The purpose of these changes is to increase the Company's and its agents sales capability without increasing the overall cost target.

In relation to the preparations for implementing the Solvency II regulations, the Company has increased its organisational and technical capacity to ensure that assessment of insurance risks, risk management and the Company's activities comply with legal requirements. This task will remain the focus for the current year.

It will continue to be the main goal of the Company to maintain the level of customer satisfaction at highest degree by offering excellent services, broad insurance cover and competitive prices, whilst retaining the profitability of the Company by keeping operating expenses low.

# Swedbank P&C Insurance AS

## IMPORTANT FINANCIAL INDICATORS

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In euros	<u>2013</u>	<u>2012</u>
Gross premium	45 643 498	42 433 558
Premiums earned net of reinsurance	44 458 783	41 413 239
Claims incurred net of reinsurance	24 632 425	20 804 446
Net operating expenses	6 455 003	5 165 160
Return of insurance activities	13 371 355	15 443 633
Net profit	1 163 239	15 713 709
Net claims ratio	55,4%	50,2%
Net expense ratio	14,5%	12,5%
Combined ratio	69,9%	62,7%
Balance sheet total	57 178 470	91 882 766
Equity	29 858 618	78 741 919

$$\text{Net claims ratio} = \frac{\text{Net claims incurred}}{\text{Premiums earned net of reinsurance}}$$

$$\text{Net expense ratio} = \frac{\text{Net operating expenses}}{\text{Premiums earned net of reinsurance}}$$

$$\text{Combined ratio} = \text{Net claims ratio} + \text{net expense ratio}$$



# Swedbank P&C Insurance AS

## BALANCE SHEET as of 31 December 2013

	Note	31.12.2013 EUR	31.12.2012 EUR
<b>ASSETS</b>			
Cash and cash equivalents		1 451 468	2 373 270
Financial investments	2	51 688 548	85 770 886
Units of debt funds		0	1 353 100
Bonds		6 812 323	14 838 110
Term deposits		44 876 225	69 579 676
Receivables related to insurance activities		3 225 298	3 151 917
Accrued income and prepaid expenses		200 568	435 162
Reinsurance assets	3	550 754	128 790
Receivables		0	105 481
Technical provisions		550 754	23 309
Deferred tax assets		3 245	5 216
Tangible assets	4	58 589	17 525
<b>Total assets</b>		<b>57 178 470</b>	<b>91 882 766</b>
<b>LIABILITIES AND EQUITY</b>			
Liabilities related to insurance activities	5	14 645 109	12 202 211
Technical provisions		14 362 763	11 902 723
Liabilities related to reinsurance		0	66 517
Intermediaries		0	0
Other		282 346	232 971
Other liabilities	6	12 674 743	938 636
<b>Total liabilities</b>		<b>27 319 852</b>	<b>13 140 847</b>
Equity			
Share capital		3 000 020	3 000 020
Share premium		4 209 981	4 209 981
Legal reserve		300 002	300 002
Unrealised exchange differences		-3 889	42 651
Retained earnings		55 475 556	21 189 265
Net profit for current period		1 163 239	15 713 709
<b>Total equity</b>		<b>29 858 618</b>	<b>78 741 919</b>
<b>Total liabilities and equity</b>		<b>57 178 470</b>	<b>91 882 766</b>

**STATEMENT OF COMPREHENSIVE INCOME**  
**for the Q4 of 2013**

	Note	Q4 of 2013	Q4 of 2012
		EUR	EUR
<b>Premiums earned, net of reinsurance</b>	7		
Premiums earned		11 901 205	10 810 013
Reinsurance premium		-177 477	-262 868
<b>TOTAL</b>		<b>11 723 728</b>	<b>10 547 145</b>
<b>Claims incurred, net of reinsurance</b>	8		
Claims incurred, gross		5 885 272	5 664 978
Claims handling expenses		460 214	396 186
Share of reinsurance in claims incurred		-305 072	58 445
<b>TOTAL</b>		<b>6 040 414</b>	<b>6 119 609</b>
<b>Operating expenses</b>			
Acquisition costs, net of reinsurance	10	936 901	699 127
Administrative expenses	11	903 979	852 946
Other operating expenses		47 344	44 120
<b>TOTAL</b>		<b>1 888 224</b>	<b>1 596 193</b>
<b>Return of insurance activities</b>		<b>3 795 090</b>	<b>2 831 343</b>
Investment revenue and expenses, net	12	80 909	157 685
Other income		1 851	-7 511
Other expenses		65 733	486 864
<b>Profit before income tax</b>		<b>3 812 117</b>	<b>2 494 653</b>
Income tax		11 976 048	-285 760
Deferred corporate income tax		1 971	-1 930
<b>Net profit for the period</b>		<b>-8 165 902</b>	<b>2 782 343</b>
Unrealised foreign exchange rates differences		-10 933	-10 933
<b>Total comprehensive income for the period</b>		<b>-8 176 835</b>	<b>2 771 410</b>

# Swedbank P&C Insurance AS

## STATEMENT OF COMPREHENSIVE INCOME for 2013

	Note	2013 EUR	2012 EUR
<b>Premiums earned, net of reinsurance</b>	7		
Premiums earned		45 331 888	42 267 245
Reinsurance premium		-873 105	-854 006
<b>TOTAL</b>		<b>44 458 783</b>	<b>41 413 239</b>
<b>Claims incurred, net of reinsurance</b>	8		
Claims incurred, gross		23 481 009	19 468 009
Claims handling expenses		1 712 186	1 535 473
Share of reinsurance in claims incurred		-560 770	-199 036
<b>TOTAL</b>		<b>24 632 425</b>	<b>20 804 446</b>
<b>Operating expenses</b>			
Acquisition costs, net of reinsurance	10	2 941 314	1 795 240
Administrative expenses	11	3 326 562	3 190 980
Other operating expenses		187 127	178 940
<b>TOTAL</b>		<b>6 455 003</b>	<b>5 165 160</b>
<b>Return of insurance activities</b>		<b>13 371 355</b>	<b>15 443 633</b>
Investment revenue and expenses, net	12	347 557	1 060 202
Other income		8 162	7 153
Other expenses		267 667	745 294
<b>Profit before income tax</b>		<b>13 459 407</b>	<b>15 765 694</b>
Income tax		12 294 197	53 915
Deferred corporate income tax		1 971	-1 930
<b>Net profit for the period</b>		<b>1 163 239</b>	<b>15 713 709</b>
Unrealised foreign exchange rates differences		-46 540	5 794
<b>Total comprehensive income for the period</b>		<b>1 116 699</b>	<b>15 719 503</b>

# Swedbank P&C Insurance AS

## STATEMENT OF CASH FLOWS for 2013

	<b>2013</b>	<b>2012</b>
	<b>EUR</b>	<b>EUR</b>
<b>Cash flow from operating activities</b>	<b>14 726 610</b>	<b>16 965 774</b>
Insurance premiums received	46 223 087	42 623 400
Claims, recourses and handling expenses paid	-22 536 968	-18 867 720
Settlements with reinsurers	-696 762	332 055
Operating expenses paid	-8 303 641	-7 133 799
Other income and expenses	40 894	11 838
<b>Cash flow from investing activities</b>	<b>34 357 508</b>	<b>-16 024 282</b>
Paid for tangible assets	-23 968	-8 970
Interest received	492 121	1 022 419
Disposal of debt fund units	1 378 613	0
Acquisition of bonds	-13 876 924	0
Disposal of bonds	21 911 618	20 247 830
Placed in term deposits	-65 002 731	-107 900 000
Proceeds from expired term deposits	89 731 695	70 837 306
Investment expenses paid	-252 916	-222 867
<b>Cash flow from financing activities</b>	<b>-50 006 463</b>	<b>-6 838</b>
Dividends paid	-50 000 000	0
Finance lease principal repayments	-5 700	-6 347
Interest paid	-763	-491
<b>TOTAL CASH FLOW</b>	<b>-922 345</b>	<b>934 654</b>
Cash and cash equivalents at beginning of the period	2 373 270	1 445 427
Change in cash and cash equivalents	-922 345	934 654
Effect of exchange rate changes	543	-6 811
Cash and cash equivalents at end of the period	1 451 468	2 373 270

## Swedbank P&C Insurance AS

### STATEMENT OF CHANGES IN EQUITY for 2013

	Share capital	Share premium	Legal reserve	Unrealised foreign exchange rates differences	Retained earnings	Total equity
	EUR	EUR	EUR	EUR	EUR	EUR
<b>As at 31.12.2011</b>	<b>3 000 020</b>	<b>4 209 981</b>	<b>300 002</b>	<b>36 857</b>	<b>55 475 556</b>	<b>63 022 416</b>
Net profit for the year	0	0	0	0	15 713 709	15 713 709
Unrealised exchange differences	0	0	0	5 794	0	5 794
<b>As at 31.12.2012</b>	<b>3 000 020</b>	<b>4 209 981</b>	<b>300 002</b>	<b>42 651</b>	<b>71 189 265</b>	<b>78 741 919</b>
<b>As at 31.12.2012</b>	<b>3 000 020</b>	<b>4 209 981</b>	<b>300 002</b>	<b>42 651</b>	<b>71 189 265</b>	<b>78 741 919</b>
Net profit for the year	0	0	0	0	1 163 239	1 163 239
Dividends paid	0	0	0	0	-50 000 000	-50 000 000
Unrealised exchange differences	0	0	0	-46 540	0	-46 540
<b>As at 31.12.2013</b>	<b>3 000 020</b>	<b>4 209 981</b>	<b>300 002</b>	<b>-3 889</b>	<b>22 352 504</b>	<b>29 858 618</b>

# Swedbank P&C Insurance AS

## NOTES TO INTERIM REPORT OF Q4 OF 2013

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### NOTE 1. ACCOUNTING POLICIES AND PROCEDURES USED

The interim report of Q4 of 2013 of Swedbank P&C Insurance AS has been prepared in compliance with requirements of International Accounting Standard IAS 34 “Interim Financial Reporting” for abbreviated interim reports. This interim report makes use of the same accounting methods as the annual accounts of Swedbank P&C Insurance AS prepared for the financial year that ended on 31 December 2012. The comparative data of this interim report are figures of Q4 of 2012.

The presentation currency of Swedbank P&C Insurance AS is the euro. All of the amounts in this report have been recorded with an accuracy of one euro, unless indicated otherwise. The accounting currency of the Latvian branch is the Latvian lat and of the Lithuanian branch the Lithuanian litas. All other currencies, except the local accounting currency, are considered foreign currencies.

The preparation of the report in compliance with International Financial Reporting Standards presumes assumptions and judgments of the management having an impact on balances of reported assets and liabilities and revenue and expenses of the reporting period. The judgments and assumptions have been made in accordance with the best knowledge of the management and taking into account the factors that are considered reasonable under the given circumstances. The judgments and assumptions are consistently reviewed.

### NOTE 2. FINANCIAL INVESTMENTS

The contents of the investment portfolio managed by Swedbank Investeerimisfondid AS:

	31.12.2013		31.12.2012	
	EUR	proportion	EUR	proportion
Units of debt funds	0	0.0%	1 353 100	1.7%
Bonds	6 812 323	14.8%	14 838 110	18.5%
Term deposits	39 139 245	85.2%	63 617 901	79.5%
Cash in investment portfolio	4 723	0.0%	268 033	0.3%
<b>TOTAL</b>	<b>45 956 291</b>	<b>100.0%</b>	<b>80 077 144</b>	<b>100.0%</b>

# Swedbank P&C Insurance AS

## NOTES TO INTERIM REPORT OF Q4 OF 2013

### NOTE 3. REINSURANCE ASSETS

	31.12.2013	31.12.2012
	EUR	EUR
<b>Provisions</b>	<b>550 754</b>	<b>23 309</b>
Reinsurer's share in provision for outstanding claims	550 754	23 309
<b>Receivables</b>	<b>0</b>	<b>105 481</b>
Share of reinsurance in claims	0	105 481
<b>TOTAL</b>	<b>550 754</b>	<b>128 790</b>

### NOTE 4. TANGIBLE FIXED ASSETS

	Vehicles	Other tangible fixed assets	Total
	EUR	EUR	EUR
<b>Residual value 31.12.2012</b>	<b>10 257</b>	<b>7 268</b>	<b>17 525</b>
Fixed assets acquired	0	5 949	5 949
Depreciation during the period	-1 579	-1 047	-2 626
Fixed assets at the acquisition cost	16 892	14 919	31 811
Accumulated depreciation	-8 215	-2 748	-10 963
<b>Residual value 31.03.2013</b>	<b>8 677</b>	<b>12 171</b>	<b>20 848</b>
Fixed assets acquired	0	575	575
Depreciation during the period	-1 578	-1 260	-2 838
Fixed assets at the acquisition cost	16 892	15 494	32 386
Accumulated depreciation	-9 793	-4 008	-13 801
<b>Residual value 30.06.2013</b>	<b>7 099</b>	<b>11 486</b>	<b>18 585</b>
Fixed assets acquired	35 018	2 722	37 740
Fixed assets write-off at acquisition cost	-16 892	0	-16 892
Depreciation of fixed assets write-off	10 754	0	10 754
Depreciation during the period	-1 783	-1 367	-3 150
Fixed assets at the acquisition cost	35 018	18 216	53 234
Accumulated depreciation	-822	-5 375	-6 197

# Swedbank P&C Insurance AS

## NOTES TO INTERIM REPORT OF Q4 OF 2013

<b>Residual value 30.09.2013</b>	<b>34 196</b>	<b>12 841</b>	<b>47 037</b>
Fixed assets acquired	0	14 722	14 722
Fixed assets write-off at acquisition cost	0	0	0
Depreciation of fixed assets write-off	0	0	0
Depreciation during the period	-1 233	-1 937	-3 170
Fixed assets at the acquisition cost	35 018	32 938	67 956
Accumulated depreciation	-2 055	-7 312	-9 367
<b>Residual value 31.12.2013</b>	<b>32 963</b>	<b>25 626</b>	<b>58 589</b>
<b>Residual value 31.12.2011</b>	<b>16 023</b>	<b>0</b>	<b>16 023</b>
Fixed assets acquired	0	3874	3874
Depreciation during the period	-1 303	-187	-1 490
Fixed assets at the acquisition cost	16 892	3 874	20 766
Accumulated depreciation	-2 172	-187	-2 359
<b>Residual value 31.03.2012</b>	<b>13 415</b>	<b>5 183</b>	<b>18 598</b>
Fixed assets acquired	0	1900	1900
Depreciation during the period	-1 305	-404	-1 709
Fixed assets at the acquisition cost	16 892	5 774	22 666
Accumulated depreciation	-3 477	-591	-4 068
<b>Residual value 30.06.2012</b>	<b>13 415</b>	<b>5 183</b>	<b>18 598</b>
Fixed assets acquired	0	0	0
Depreciation during the period	-1 579	-481	-2 060
Fixed assets at the acquisition cost	16 892	5 774	22 666
Accumulated depreciation	-5 056	-1 072	-6 128
<b>Residual value 30.09.2012</b>	<b>11 836</b>	<b>4 702</b>	<b>16 538</b>
Fixed assets acquired	0	3196	0
Depreciation during the period	-1 579	-630	-2 209
Fixed assets at the acquisition cost	16 892	8 970	25 862
Accumulated depreciation	-6 635	-1 702	-8 337
<b>Residual value 31.12.2012</b>	<b>10 257</b>	<b>7 268</b>	<b>17 525</b>



# Swedbank P&C Insurance AS

## NOTES TO INTERIM REPORT OF Q4 OF 2013

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### NOTE 5. LIABILITIES RELATED TO INSURANCE ACTIVITIES

	<b>31.12.2013</b>	<b>31.12.2012</b>
	EUR	EUR
<b>Technical provisions</b>	<b>14 362 763</b>	<b>11 902 723</b>
Provision for unearned premium	4 332 267	4 026 307
Provision for outstanding claims	9 997 880	7 755 718
Unexpired risk reserve	32 616	120 698
<b>Liabilities related to reinsurance</b>	<b>0</b>	<b>66 517</b>
Reinsurance premium	0	3 104
Refundable commissions	0	63 413
<b>Other liabilities</b>	<b>282 346</b>	<b>232 971</b>
Policyholders	24 352	20 991
Other	257 994	211 980
<b>TOTAL</b>	<b>14 645 109</b>	<b>12 202 211</b>

### NOTE 6. OTHER LIABILITIES

	<b>31.12.2013</b>	<b>31.12.2012</b>
	EUR	EUR
Finance lease payable (see Note 13)	32 760	9 579
Accounts payable	73 478	478 370
Accrued expenses	12 523 364	407 684
Other liabilities	45 141	43 003
<b>TOTAL</b>	<b>12 674 743</b>	<b>938 636</b>

# Swedbank P&C Insurance AS

## NOTES TO INTERIM REPORT OF Q4 OF 2013

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### NOTE 7. PREMIUMS EARNED NET OF REINSURANCE

	<b>Q4 of 2013</b>	<b>Q4 of 2012</b>
	EUR	EUR
Gross premium (see Note 9)	12 348 702	11 255 245
Change in provisions for unearned premium	-447 497	-445 232
<b>Premiums earned</b>	<b>11 901 205</b>	<b>10 810 013</b>
Reinsurance premium	-177 477	-262 868
<b>Reinsurance premium</b>	<b>-177 477</b>	<b>-262 868</b>
<b>TOTAL</b>	<b>11 723 728</b>	<b>10 547 145</b>

	<b>2013</b>	<b>2012</b>
	EUR	EUR
Gross premium (see Note 9)	45 643 498	42 433 558
Change in provisions for unearned premium	-311 610	-166 313
<b>Premiums earned</b>	<b>45 331 888</b>	<b>42 267 245</b>
Reinsurance premium	-873 105	-853 556
Reinsurers' share in change of unearned premiums provision	0	-450
<b>Reinsurance premium</b>	<b>-873 105</b>	<b>-854 006</b>
<b>TOTAL</b>	<b>44 458 783</b>	<b>41 413 239</b>

# Swedbank P&C Insurance AS

## NOTES TO INTERIM REPORT OF Q4 OF 2013

### NOTE 8. CLAIMS INCURRED NET OF REINSURANCE

	Q4 of 2013	Q4 of 2012
<b>Claims incurred, gross amount</b>	<b>5 885 272</b>	<b>5 664 978</b>
Claims paid (see Note 9)	5 980 792	5 043 763
Change in the claims provision	412 332	1 020 044
Amounts recovered from salvage and recourses	-507 852	-398 829
<b>Claims handling expenses</b>	<b>460 214</b>	<b>396 186</b>
Direct claims handling expenses	215 755	189 993
Indirect claims handling expenses	244 459	206 193
Staff costs	186 573	153 120
Depreciation of fixed assets	453	28
Other	57 433	53 045
<b>Reinsurers` share of claims incurred</b>	<b>-305 072</b>	<b>58 445</b>
Reinsurers` share in claims paid	-301	68 209
Reinsurers` share in change of claims provisions	-304 771	-9 764
<b>TOTAL</b>	<b>6 040 414</b>	<b>6 119 609</b>

	2013	2012
	EUR	EUR
<b>Claims incurred, gross amount</b>	<b>23 481 009</b>	<b>19 468 009</b>
Claims paid (see Note 9)	23 010 724	19 624 766
Change in the claims provision	2 160 441	1 405 456
Amounts recovered from salvage and recourses	-1 690 156	-1 562 213
<b>Claims handling expenses</b>	<b>1 712 186</b>	<b>1 535 473</b>
Direct claims handling expenses	831 731	719 542
Indirect claims handling expenses	880 455	815 931
Staff costs	673 316	597 009
Depreciation of fixed assets	955	28
Other	206 184	218 894
<b>Reinsurers` share of claims incurred</b>	<b>-560 770</b>	<b>-199 036</b>
Reinsurers` share in claims paid	-33 302	-220 586
Reinsurers` share in change of claims provisions	-527 468	21 550
<b>TOTAL</b>	<b>24 632 425</b>	<b>20 804 446</b>

# Swedbank P&C Insurance AS

## NOTES TO INTERIM REPORT OF Q4 OF 2013

### NOTE 9. GROSS PREMIUM AND CLAIMS PAID BY PRODUCTS

	Gross premium	Claims paid
<b>Q4 of 2013</b>	EUR	EUR
Motor own damage	5 597 570	3 378 987
Home insurance	4 056 226	1 234 084
Motor third party liability insurance	1 294 004	885 790
Travel insurance	653 556	301 596
Loan payment protection insurance	610 277	59 578
Apartment building insurance	58 240	117 171
Other	78 829	3 586
<b>TOTAL</b>	<b>12 348 702</b>	<b>5 980 792</b>

<b>Q4 of 2012</b>	EUR	EUR
Motor own damage	5 558 907	2 792 225
Home insurance	3 405 711	1 050 948
Motor third party liability insurance	1 148 359	795 534
Travel insurance	494 226	318 632
Loan payment protection insurance	542 821	77 156
Apartment building insurance	50 369	7 255
Other	54 852	2 013
<b>TOTAL</b>	<b>11 255 245</b>	<b>5 043 763</b>

	Gross premium	Claims paid
<b>2013</b>	EUR	EUR
Motor own damage	20 246 936	13 284 693
Home insurance	14 997 068	4 562 157
Motor third party liability insurance	5 117 999	3 073 186
Travel insurance	2 463 800	1 654 452
Loan payment protection insurance	2 291 375	264 444
Apartment building insurance	244 541	156 688
Other	281 779	15 104
<b>TOTAL</b>	<b>45 643 498</b>	<b>23 010 724</b>

<b>2012</b>	EUR	EUR
Motor own damage	20 379 484	11 452 649
Home insurance	12 864 494	4 194 191
Motor third party liability insurance	4 721 843	2 428 154
Travel insurance	1 944 559	1 142 333
Loan payment protection insurance	2 114 384	299 910
Apartment building insurance	221 756	97 998
Other	187 038	9 531
<b>TOTAL</b>	<b>42 433 558</b>	<b>19 624 766</b>

# Swedbank P&C Insurance AS

## NOTES TO INTERIM REPORT OF Q4 OF 2013

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### NOTE 10. ACQUISITION COSTS. NET OF REINSURANCE

	<b>Q4 of 2013</b>	<b>Q4 of 2012</b>
	EUR	EUR
Outsourced services	648 553	415 654
Staff costs	114 324	80 292
Other operating expenses	173 698	139 761
Depreciation and impairment on fixed assets	326	28
Reinsurance commission	0	63 392
<b>TOTAL</b>	<b>936 901</b>	<b>699 127</b>

	<b>2013</b>	<b>2012</b>
	EUR	EUR
Outsourced services	2 138 763	1 599 978
Staff costs	353 390	279 611
Other operating expenses	555 760	337 741
Depreciation and impairment on fixed assets	847	28
Reinsurance commission	-107 446	-422 005
Change of accrued reinsurance commissions	0	-113
<b>TOTAL</b>	<b>2 941 314</b>	<b>1 795 240</b>

# Swedbank P&C Insurance AS

## NOTES TO INTERIM REPORT OF Q4 OF 2013

### NOTE 11. ADMINISTRATIVE EXPENSES

	<b>Q4 of 2013</b>	<b>Q4 of 2012</b>
	EUR	EUR
Staff costs	286 668	276 835
Other operating expenses	537 864	440 267
Depreciation and impairment on fixed assets	2 391	2 154
Outsourced services	77 056	133 690
<b>TOTAL</b>	<b>903 979</b>	<b>852 946</b>

	<b>2013</b>	<b>2012</b>
	EUR	EUR
Staff costs	1 092 000	1 018 851
Other operating expenses	1 667 336	1 707 339
Depreciation and impairment on fixed assets	9 982	7 412
Outsourced services	557 244	457 378
<b>TOTAL</b>	<b>3 326 562</b>	<b>3 190 980</b>

### NOTE 12. INVESTMENT REVENUE AND EXPENSES

	<b>Q4 of 2013</b>	<b>Q4 of 2012</b>
	EUR	EUR
Interest income	251 769	182 176
Change in value of financial assets at fair value with changes through income statement	-25 207	30 603
Losses from financial investments	-83 601	-8 354
Realised gains/losses from changes in currency rates	399	13 777
Other investment management expenses	-62 451	-60 517
<b>TOTAL</b>	<b>80 909</b>	<b>157 685</b>

## Swedbank P&C Insurance AS

### NOTES TO INTERIM REPORT OF Q4 OF 2013

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	<b>2013</b>	<b>2012</b>
	EUR	EUR
Interest income	861 738	1 045 135
Change in value of financial assets at fair value with changes through income statement	-182 186	283 822
Losses from financial investments	-78 644	-52 000
Realised gains/losses from changes in currency rates	-1 267	10 112
Other investment management expenses	-252 084	-226 867
<b>TOTAL</b>	<b>347 557</b>	<b>1 060 202</b>

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# Swedbank P&C Insurance AS

## NOTES TO INTERIM REPORT OF Q4 OF 2013

### NOTE 13. RELATED PARTIES

Transactions with related parties are transactions with the parent company and other Group companies, members of the supervisory board and management board, persons close to them and companies in which they have a considerable holding. The parent company of the Company is Swedbank AS, which holds 100% of the voting rights. The parent company of the Swedbank Group is Swedbank AB (publ). Sweden.

The Company purchases a significant amount of services from Swedbank Group companies. Transactions and balances with related parties have been reported as follows:

	<b>Swedbank AS</b>	<b>Other Group companies</b>	<b>TOTAL</b>
	EUR	EUR	EUR
<b>Receivables and liabilities as of 31.12.2013</b>			
Receivables from insurance activities	87 132	96 548	183 680
Accrued interest	150 864	15 120	165 984
Other assets	26 333 721	6 397 273	32 730 994
<b>TOTAL</b>	<b>26 571 717</b>	<b>6 508 941</b>	<b>33 080 658</b>
Finance lease payable	0	32 760	32 760
Other liabilities	0	50 927	50 927
<b>TOTAL</b>	<b>0</b>	<b>83 687</b>	<b>83 687</b>
<b>Receivables and liabilities as of 31.12.2012</b>			
Receivables from insurance activities	53 002	84 361	137 363
Accrued interest	91 447	18 613	110 060
Other assets	39 708 936	7 287 495	46 996 431
<b>TOTAL</b>	<b>39 853 385</b>	<b>7 390 469</b>	<b>47 243 854</b>
Finance lease payable	0	9 579	9 579
Other liabilities	56	455 020	455 076
<b>TOTAL</b>	<b>56</b>	<b>464 599</b>	<b>464 655</b>



# Swedbank P&C Insurance AS

## NOTES TO INTERIM REPORT OF Q4 OF 2013

	<b>Swedbank AS</b>	<b>Other Group companies</b>	<b>TOTAL</b>
	EUR	EUR	EUR
<b>Revenue and expenses Q4 of 2013</b>			
Intermediary fee	-302 729	-332 085	-634 814
Revenue from insurance premium	256 995	501 595	758 590
Interest revenue	53 195	8 562	61 757
Expenses related to investments	-3 803	-47 961	-51 764
Other expenses	-219 202	-192 535	-411 737
Other revenue	0	1 656	1 656
<b>Revenue and expenses Q4 of 2012</b>			
Intermediary fee	-241 390	-143 862	-385 252
Revenue from insurance premium	155 705	510 703	666 408
Interest revenue	95 745	15 395	111 140
Expenses related to investments	-3 933	-46 252	-50 185
Other expenses	-253 502	-607 022	-860 524
Other revenue	0	1 496	1 496

	<b>Swedbank AS</b>	<b>Other Group companies</b>	<b>TOTAL</b>
	EUR	EUR	EUR
<b>Revenue and expenses 2013</b>			
Intermediary fee	-1 092 497	-929 813	-2 022 310
Revenue from insurance premium	878 459	2 026 926	2 905 385
Interest revenue	260 354	52 228	312 582
Expenses related to investments	-15 980	-193 057	-209 037
Other expenses	-868 858	-756 045	-1 624 903
Other revenue	0	6 650	6 650
<b>Revenue and expenses 2012</b>			
Intermediary fee	-923 105	-557 061	-1 480 166
Revenue from insurance premium	581 855	2 120 131	2 701 986
Interest revenue	408 689	61 250	469 939
Expenses related to investments	-21 350	-166 720	-188 070
Other expenses	-895 163	-1 188 858	-2 084 021
Other revenue	0	5 902	5 902

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