

SWEDBANK P&C INSURANCE AS

Interim Report

As of 30 June 2014

Swedbank P&C Insurance AS

INTERIM REPORT OF Q2 OF 2014

Business name	Swedbank P&C Insurance AS
Commercial Register code	11269248
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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 Q2 of 2014 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, Vaida Janušyte. This file is generated in electronic format and does not include any signatures.

Swedbank P&C Insurance AS

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Swedbank P&C Insurance AS

LETTER OF EXPLANATION TO THE INTERIM REPORT OF Q2 OF 2014

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. 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.

Starting from 01.04.2014 the new structure of Swedbank P&C Insurance AS became valid, with what country based management was replaced by functional management. The Council approved the Board Member Liutauras Jasiūnas request to resign from the insurance provider's Management Board starting from 15.05.2014, Vaida Janušyte was appointed as a Member of the Management Board. The Management Board still continues with 4 members: Ivika Torpel, Margus Liigand, Peeter Kabbun and Vaida Janušyte.

Results of Business Operations of Q2 of 2014

The financial results of the Company in Q2 were very good, being better than in Q2 2013, which is resulting from increased amount of premium income and lower level of claims. The loss ratio in Q2 was 53.2%, year before 55.9%. The loss ratio of 6 months was 52.9% (6 months 2013: 57.7%). The loss ratio improved significantly in vehicle related insurances, however increased in property insurance.

The operating expenses of the Company are still low, however expense ratio during last years has been increasing due to the increase of sales activities, but the increase of the expense ratio has slowed down for now. The expense ratio for Q2 2014 was 15.2%, year before 15.1%. In comparison to previous year the number of employees has increased, which is the cause of increase of personnel expenses. The expense ratio for six months was 14.8%, year before 13.8%.

The combined ratio of Q2 was 68.4% (Q2 2013: 71.0%), technical profit EUR 3.7 million (Q2 2013: EUR 3.1 million) and net profit EUR 1.3 million (Q2 2013: EUR 3.0 million). Lower net profit compared to 2013 net profit is resulting from the corporate income tax on dividends paid in Q2. The combined ratio for 6 months was 67.8% (6 months 2013: 71.5%), technical profit EUR 7.6 million (6 months 2013: EUR 6.1 million) and net profit EUR 4.9 million (6 months 2013: EUR 5.9 million).

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LETTER OF EXPLANATION TO THE INTERIM REPORT OF Q2 OF 2014

Sales results of Company in Estonia (in thousands of euros)

	Q1 of 2014	Proportion	6 months 2014	Proportion
Motor own damage	4 096	43.9%	8 337	45.0%
Home insurance	2 876	30.8%	5 638	30.4%
Motor third party liability insurance	1 263	13.5%	2 365	12.8%
Loan payment protection insurance	624	6.7%	1 219	6.6%
Travel insurance	391	4.2%	821	4.4%
Apartment building insurance	79	0.8%	133	0.7%
Other	8	0.1%	14	0.1%
TOTAL	9 337	100%	18 527	100%

Sales Results of Company in Latvia (in thousands of euros)

	Q2 of 2014	Proportion	6 months 2014	Proportion
Home insurance	969	52.1%	1 862	50.3%
Motor own damage	544	29.2%	1 123	30.4%
Motor third party liability insurance	201	10.8%	416	11.2%
Travel insurance	104	5.6%	217	5.9%
Loan payment protection insurance	17	0.9%	28	0.8%
Other	26	1.4%	52	1.4%
TOTAL	1 861	100%	3 698	100%

Sales Results of Company in Lithuania (in thousands of euros)

	Q2 of 2014	Proportion	6 months 2014	Proportion
Home insurance	666	50.3%	1 260	51.3%
Motor own damage	330	27.7%	657	26.7%
Travel insurance	188	15.5%	370	15.1%
Loan payment protection insurance	38	2.2%	64	2.6%
Other	54	4.3%	106	4.3%
TOTAL	1 276	100%	2 457	100%

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LETTER OF EXPLANATION TO THE INTERIM REPORT OF Q2 OF 2014

The volume of net premiums earned by the Company in Q2 was EUR 11.8 million (Q2 2013: EUR 10.8 million) and 6 months net premiums earned were EUR 23.5 million (9 months 2012: 30.9). The volume of net claims in Q2 was EUR 6.3 million (Q2 2013: EUR 6.0 million) and net claims of 6 months was EUR 12.5 million (6 months 2013: EUR 12.4 million).

Insurance premiums have increased compared to Q2 2013 13.3%. The main source of the increase of insurance premiums is still continuing active sales in home insurance, whilst the decrease of motor third party liability insurance premiums turned to increase. Compared to 2013 Q2 the motor own damage insurance payments have increased ca 6.1%.

Activities and events during Q2 2014

The Company paid out dividends in amount of EUR 11 million in June.

The new structure of the Company become into force starting from 1st of April to adapt into Swedbank Baltic Banking operating model. Related to this new branch Managers were appointed - Kristine Viluma in Latvia ja Justinas Milkevičius Lithuania.

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

Assets of Company

The assets of the Company formed EUR 43.8 million as of 30. June 2014, which is EUR 5.5 million less compared to previous quarter. The assets decreased due to the dividends paid.

The volume of financial investments formed EUR 29.0 million, which is EUR 12.4 million less than at the end of Q1 2014. The financial investments of the Company exceeded technical liabilities 1.7 times.

Number of Employees and Staff Costs

As of 30 June 2014, the Company employed 107 people – 70 in Estonia, 20 in Latvia and 17 in Lithuania. The number of employees has increased by 1 employee compared to 31st of March 2014 and by 15 employees compared to 30th of June 2013. Labour costs of Q2 were EUR 596.2 thousand (Q2 2013: EUR 529.3 thousand). The significant increase of number of employees and staff costs is caused by concluding an employment contract in Q1 2014 with 11 employees, who acted as the representatives of insurance agent in Swedbank Group, in the same amount commission expenses are decreasing.

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LETTER OF EXPLANATION TO THE INTERIM REPORT OF Q2 OF 2014

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 continuing to incorporate changes in its structure and harmonization with Swedbank Baltic Banking operating model. Company is continuing 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 adoption of euro in Lithuania, the Company started necessary activities for transformation, which will continue during the year.

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.

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IMPORTANT FINANCIAL INDICATORS

In euros	<u>01.01.2014 - 30.06.2014</u>	<u>01.01.2013 - 30.06.2013</u>
Gross premium	24 681 653	21 810 377
Premiums earned net of reinsurance	23 498 606	21 428 285
Claims incurred net of reinsurance	12 440 800	12 363 869
Net operating expenses	3 481 738	2 960 361
Return of insurance activities	7 576 068	6 104 055
Net profit	4 914 620	5 898 765
Net claims ratio	52.9%	57.7%
Net expense ratio	14.8%	13.8%
Combined ratio	67.8%	71.5%
Balance sheet total	43 818 382	98 773 271
Equity	23 713 848	84 603 301

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

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

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

Swedbank P&C Insurance AS

BALANCE SHEET as of 30 June 2014

	Note	30.06.2014	31.12.2013
		EUR	EUR
ASSETS			
Cash and cash equivalents		9 363 555	1 451 468
Financial investments	2	29 025 761	51 688 548
Bonds		8 509 531	6 812 323
Term deposits		20 516 230	44 876 225
Receivables related to insurance activities		2 835 933	3 225 298
Accrued income and prepaid expenses		325 896	200 568
Reinsurance assets	3	2 242 419	550 754
Receivables		687 193	0
Technical provisions		1 555 226	550 754
Deferred tax assets		3 246	3 245
Tangible assets	4	21 572	58 589
Total assets		43 818 382	57 178 470
LIABILITIES AND EQUITY			
Liabilities related to insurance activities	5	16 631 671	14 645 109
Technical provisions		14 714 784	14 362 763
Liabilities related to reinsurance		1 568 737	0
Other		348 150	282 346
Other liabilities	6	3 472 863	12 674 743
Total liabilities		20 104 534	27 319 852
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		0	-3 889
Retained earnings		11 289 225	21 189 265
Net profit for current period		4 914 620	1 163 239
Total equity		23 713 848	29 858 618
Total liabilities and equity		43 818 382	57 178 470

STATEMENT OF COMPREHENSIVE INCOME
for the Q2 of 2014

	Note	Q2 of 2014 EUR	Q2 of 2013 EUR
Premiums earned, net of reinsurance	7		
Premiums earned		12 555 948	11 074 432
Reinsurance premium		-778 021	-320 261
TOTAL		11 777 927	10 754 171
Claims incurred, net of reinsurance	8		
Claims incurred, gross		6 183 354	5 599 528
Claims handling expenses		456 405	412 953
Share of reinsurance in claims incurred		-369 996	-3 051
TOTAL		6 269 763	6 009 430
Operating expenses			
Acquisition costs, net of reinsurance	10	824 512	744 951
Administrative expenses	11	913 237	830 838
Other operating expenses		52 595	48 296
TOTAL		1 790 344	1 624 085
Return of insurance activities		3 717 820	3 120 656
Investment revenue and expenses, net	12	22 820	70 368
Other income		1 938	2 227
Other expenses		68 347	70 482
Profit before income tax		3 674 231	3 122 769
Income tax		2 384 836	127 676
Net profit for the period		1 289 395	2 995 093
Unrealised foreign exchange rates differences		3 889	-6 777
Fair value adjustment of share based payment at the settlement date		-63 278	0
Total comprehensive income for the period		1 230 006	2 988 316

Swedbank P&C Insurance AS

STATEMENT OF CASH FLOWS for the Q2 2014

	Note	01.01.2014 - 30.06.2014	01.01.2013 - 30.06.2013
		EUR	EUR
Premiums earned, net of reinsurance	7		
Premiums earned		24 740 730	21 928 404
Reinsurance premium		-1 242 124	-500 119
TOTAL		23 498 606	21 428 285
Claims incurred, net of reinsurance	8		
Claims incurred, gross		12 145 718	11 746 321
Claims handling expenses		956 336	806 782
Share of reinsurance in claims incurred		-661 254	-189 234
TOTAL		12 440 800	12 363 869
Operating expenses			
Acquisition costs, net of reinsurance	10	1 426 889	1 244 411
Administrative expenses	11	1 954 208	1 623 294
Other operating expenses		100 641	92 656
TOTAL		3 481 738	2 960 361
Return of insurance activities		7 576 068	6 104 055
Investment revenue and expenses, net	12	-10 762	154 787
Other income		4 061	3 965
Other expenses		141 188	135 598
Profit before income tax		7 428 179	6 127 209
Income tax		2 513 559	228 444
Net profit for the period		4 914 620	5 898 765
Unrealised foreign exchange rates differences		3 889	-37 383
Fair value adjustment of share based payment at the settlement date		-63 278	0
Total comprehensive income for the period		4 855 231	5 861 382

Swedbank P&C Insurance AS

STATEMENT OF CASH FLOWS for the Q2 2014

	01.01.2014 - 30.06.2014 EUR	01.01.2013 - 30.06.2013 EUR
Cash flow from operating activities	-3 701 729	6 966 226
Insurance premiums received	25 335 168	22 461 657
Claims, recourses and handling expenses paid	-12 427 397	-11 138 670
Settlements with reinsurers	-335 075	-466 993
Operating expenses paid	-16 303 540	-3 897 499
Other income and expenses	29 115	7 731
Cash flow from investing activities	22 613 049	-6 691 421
Paid for tangible assets	-29 444	-6 524
Interest received	681 463	226 057
Disposal of debt fund units	0	1 378 613
Acquisition of bonds	-10 066 287	-12 460 107
Disposal of bonds	3 404 372	8 500 000
Placed in term deposits	-33 095 950	-52 287 057
Proceeds from expired term deposits	61 783 860	48 080 000
Investment expenses paid	-64 965	-122 403
Cash flow from financing activities	-11 001 984	-3 588
Dividends paid	-11 000 000	0
Finance lease principal repayments	-1 530	-3 441
Interest paid	-454	-147
TOTAL CASH FLOW	7 909 336	271 217
Cash and cash equivalents at beginning of the period	1 451 468	2 373 270
Change in cash and cash equivalents	7 909 336	271 217
Effect of exchange rate changes	2 751	2 997
Cash and cash equivalents at end of the period	9 363 555	2 647 484

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STATEMENT OF CHANGES IN EQUITY for 01.01 – 30.06.2014

	Share capital	Share premium	Legal reserve	Unrealised foreign exchange rates differences	Retained earnings	Total equity
	EUR	EUR	EUR	EUR	EUR	EUR
As at 31.12.2012	3 000 020	4 209 981	300 002	42 651	71 189 265	78 741 919
Net profit for the year	0	0	0	0	5 898 765	5 898 765
Unrealised exchange differences	0	0	0	-37 383	0	-37 383
As at 30.06.2013	3 000 020	4 209 981	300 002	12 045	74 092 937	81 614 985
As at 31.12.2013	3 000 020	4 209 981	300 002	-3 889	22 352 504	29 858 618
Net profit for the year	0	0	0	0	4 914 620	4 914 620
Dividends paid	0	0	0	0	-11 000 000	-11 000 000
Fair value adjustment of share based payment at the settlement date	0	0	0	0	-63 279	-63 279
Unrealised exchange differences	0	0	0	3 889	0	3 889
As at 30.06.2014	3 000 020	4 209 981	300 002	0	16 203 845	23 713 848

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NOTES TO INTERIM REPORT OF Q2 OF 2014

NOTE 1. ACCOUNTING POLICIES AND PROCEDURES USED

The interim report of Q2 of 2014 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 2013. The comparative data of this interim report are figures of Q2 of 2013.

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 Lithuanian branch is 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:

	30.06.2014		31.12.2013	
	EUR	proportion	EUR	proportion
Bonds	8 509 531	29.1%	6 812 323	14.8%
Term deposits	16 684 410	57.1%	39 139 245	85.2%
Cash in investment portfolio	4 032 553	13.8%	4 723	0.0%
TOTAL	29 226 494	100.0%	45 956 291	100.0%

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NOTES TO INTERIM REPORT OF Q2 OF 2014

NOTE 3. REINSURANCE ASSETS

	30.06.2014	31.12.2013
	EUR	EUR
Provisions	1 555 226	550 754
Reinsurer's share in provision for unearned premium	596 770	0
Reinsurer's share in provision for outstanding claims	958 456	550 754
Receivables	687 193	0
Reinsurance commission	382 833	0
Share of reinsurance in claims	270 494	0
Refundable reinsurance premium	33 866	0
TOTAL	2 242 419	550 754

NOTE 4. TANGIBLE FIXED ASSETS

	Vehicles	Other tangible fixed assets	Total
	EUR	EUR	EUR
Residual value 31.12.2013	32 963	25 626	58 589
Fixed assets acquired	0	0	0
Depreciation during the period	-1 233	-2 745	-3 978
Fixed assets at the acquisition cost	35 018	32 938	67 956
Accumulated depreciation	-3 288	-10 057	-13 345
Residual value 31.03.2014	31 730	22 881	54 611
Disposal of fixed assets	-35 018	0	-35 018
Depreciation of disposed fixed assets	4 110	0	4 110
Fixed assets acquired	0	1 534	1 534
Depreciation during the period	-822	-2 843	-3 665
Fixed assets at the acquisition cost	0	34 472	34 472
Accumulated depreciation	0	-12 900	-12 900
Residual value 30.06.2014	0	21 572	21 572

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NOTES TO INTERIM REPORT OF Q2 OF 2014

Residual value 31.12.2012	10 257	7 268	17 525
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
Residual value 31.03.2013	8 677	12 171	20 848
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
Residual value 30.06.2013	7 099	11 486	18 585

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NOTES TO INTERIM REPORT OF Q2 OF 2014

NOTE 5. LIABILITIES RELATED TO INSURANCE ACTIVITIES

	30.06.2014	31.12.2013
	EUR	EUR
Technical provisions	14 714 784	14 362 763
Provision for unearned premium	4 273 190	4 332 267
Provision for outstanding claims	10 441 594	9 997 880
Unexpired risk reserve	0	32 616
Liabilities related to reinsurance	1 568 737	0
Reinsurance premium	1 542 823	0
Reinsurance share in recoveries	16 941	0
Refundable commissions	8 973	0
Other liabilities	348 150	282 346
Policyholders	49 165	24 352
Other	298 985	257 994
TOTAL	16 631 671	14 645 109

NOTE 6. OTHER LIABILITIES

	30.06.2014	31.12.2013
	EUR	EUR
Finance lease payable (see Note 13)	0	32 760
Accounts payable	214 436	73 478
Accrued expenses	3 215 622	12 523 364
Other liabilities	42 805	45 141
TOTAL	3 472 863	12 674 743

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NOTES TO INTERIM REPORT OF Q2 OF 2014

NOTE 7. PREMIUMS EARNED NET OF REINSURANCE

	Q2 of 2014	Q2 of 2013
	EUR	EUR
Gross premium (see Note 9)	12 474 078	11 008 191
Change in provisions for unearned premium	81 870	66 241
Premiums earned	12 555 948	11 074 432
Reinsurance premium	-999 517	-320 261
Reinsurance share in change of provisions for unearned premium	221 496	0
Reinsurance premium	-778 021	-320 261
TOTAL	11 777 927	10 754 171

	01.01.2014- 30.06.2014	01.01.2013- 30.06.2013
	EUR	EUR
Gross premium (see Note 9)	24 681 653	21 810 377
Change in provisions for unearned premium	59 077	118 027
Premiums earned	24 740 730	21 928 404
Reinsurance premium	-1 838 894	-500 119
Reinsurance share in change of provisions for unearned premium	596 770	0
Reinsurance premium	-1 242 124	-500 119
TOTAL	23 498 606	21 428 285

Swedbank P&C Insurance AS

NOTES TO INTERIM REPORT OF Q2 OF 2014

NOTE 8. CLAIMS INCURRED, NET OF REINSURANCE

	Q2 of 2014	Q2 of 2013
Claims incurred, gross amount	6 183 354	5 599 528
Claims paid (see Note 9)	5 549 292	5 886 811
Change in the claims provision	1 036 968	111 773
Amounts recovered from salvage and recourses	-402 906	-399 056
Claims handling expenses	456 405	412 953
Direct claims handling expenses	202 438	200 747
Indirect claims handling expenses	253 967	212 206
Staff costs	178 854	166 811
Depreciation of fixed assets	926	172
Other	74 187	45 223
Reinsurers` share of claims incurred	-369 996	-3 051
Reinsurers` share in claims paid	-190 706	-8 930
Reinsurers` share in change of claims provisions	-179 290	5 879
TOTAL	6 269 763	6 009 430

	01.01.2014- 30.06.2014	01.01.2013- 30.06.2013
Claims incurred, gross amount	12 145 718	11 746 321
Claims paid (see Note 9)	12 757 292	11 411 191
Change in the claims provision	411 098	1 180 343
Amounts recovered from salvage and recourses	-1 022 672	-845 213
Claims handling expenses	956 336	806 782
Direct claims handling expenses	447 978	390 869
Indirect claims handling expenses	508 358	415 913
Staff costs	374 535	328 333
Depreciation of fixed assets	1 804	285
Other	132 019	87 295
Reinsurers` share of claims incurred	-661 254	-189 234
Reinsurers` share in claims paid	-253 553	-1 972
Reinsurers` share in change of claims provisions	-407 701	-187 262
TOTAL	12 440 800	12 363 869

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NOTES TO INTERIM REPORT OF Q2 OF 2014

NOTE 9. GROSS PREMIUM AND CLAIMS PAID BY PRODUCTS

	Gross premium	Claims paid
Q2 of 2014	EUR	EUR
Motor own damage	4 970 346	3 008 578
Home insurance	4 511 008	1 268 552
Motor third party liability insurance	1 464 004	694 913
Travel insurance	682 569	464 238
Loan payment protection insurance	678 779	90 903
Apartment building insurance	78 580	18 887
Other	88 792	3 221
TOTAL	12 474 078	5 549 292

Q2 of 2013	EUR	EUR
Motor own damage	4 684 482	3 358 041
Home insurance	3 685 599	1 202 923
Motor third party liability insurance	1 351 611	802 375
Travel insurance	591 717	438 229
Loan payment protection insurance	557 141	74 502
Apartment building insurance	69 211	6 114
Other	68 430	4 627
TOTAL	11 008 191	5 886 811

	Gross premium	Claims paid
01.01.2014 - 30.06.2014	EUR	EUR
Motor own damage	10 116 777	7 618 836
Home insurance	8 759 438	2 415 977
Motor third party liability insurance	2 780 650	1 531 252
Travel insurance	1 408 494	984 638
Loan payment protection insurance	1 311 013	167 582
Apartment building insurance	133 499	28 310
Other	171 782	10 697
TOTAL	24 681 653	12 757 292

01.01.2013 - 30.06.2013	EUR	EUR
Motor own damage	9 633 678	6 577 658
Home insurance	7 168 991	2 134 423
Motor third party liability insurance	2 512 838	1 517 785
Travel insurance	1 149 519	1 024 023
Loan payment protection insurance	1 097 840	134 454
Apartment building insurance	118 807	14 154
Other	128 704	8 694
TOTAL	21 810 377	11 411 191

Swedbank P&C Insurance AS

NOTES TO INTERIM REPORT OF Q2 OF 2014

NOTE 10. ACQUISITION COSTS NET OF REINSURANCE

	Q2 of 2014	Q2 of 2013
	EUR	EUR
Outsourced services	525 186	543 220
Staff costs	89 290	85 412
Other operating expenses	247 283	116 132
Depreciation and impairment on fixed assets	467	187
Reinsurance commission	-195 858	0
Change of accrued reinsurance commissions	158 144	0
TOTAL	824 512	744 951

	01.01.2014 - 30.06.2014	01.01.2013 - 30.06.2013
	EUR	EUR
Outsourced services	1 036 389	972 937
Staff costs	251 724	163 228
Other operating expenses	353 487	215 391
Depreciation and impairment on fixed assets	1 005	301
Reinsurance commission	-373 860	-107 446
Change of accrued reinsurance commissions	158 144	0
TOTAL	1 426 889	1 244 411

Swedbank P&C Insurance AS

NOTES TO INTERIM REPORT OF Q2 OF 2014

NOTE 11. ADMINISTRATIVE EXPENSES

	Q2 of 2014	Q2 of 2013
	EUR	EUR
Staff costs	328 016	277 100
Other operating expenses	459 160	390 784
Depreciation and impairment on fixed assets	2 272	2 479
Outsourced services	123 789	160 475
TOTAL	913 237	830 838

	01.01.2014 - 30.06.2014	01.01.2013 - 30.06.2013
	EUR	EUR
Staff costs	618 921	554 818
Other operating expenses	1 063 027	760 130
Depreciation and impairment on fixed assets	4 834	4 878
Outsourced services	267 426	303 468
TOTAL	1 954 208	1 623 294

NOTE 12. INVESTMENT REVENUE AND EXPENSES

	Q2 of 2014	Q2 of 2013
	EUR	EUR
Interest income	135 748	160 927
Change in value of financial assets at fair value with changes through income statement	61 213	-43 328
Losses from financial investments	-146 068	16 130
Realised gains/losses from changes in currency rates	-808	402
Other investment management expenses	-27 265	-63 763
TOTAL	22 820	70 368

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	01.01.2014 - 30.06.2014	01.01.2013 - 30.06.2013
	EUR	EUR
Interest income	221 879	305 428
Change in value of financial assets at fair value with changes through income statement	-23 555	-42 115
Losses from financial investments	-153 278	14 182
Realised gains/losses from changes in currency rates	-1 676	-724
Other investment management expenses	-54 132	-121 984
TOTAL	-10 762	154 787

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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:

	Swedbank AS	Other Group companies	TOTAL
	EUR	EUR	EUR
Receivables and liabilities as of 30.06.2014			
Cash and deposits	14 510 172	5 822 333	20 332 505
Receivables from insurance activities	94 305	102 458	196 763
Accrued interest	14 681	12 870	27 551
TOTAL	14 619 158	5 937 661	20 556 819
Receivables and liabilities as of 31.12.2013			
Cash and deposits	26 263 113	6 375 215	32 638 328
Receivables from insurance activities	87 132	96 548	183 680
Accrued interest	150 864	15 120	165 984
Other assets	70 608	22 058	92 666
TOTAL	26 571 717	6 508 941	33 080 658
Finance lease payable	0	32 760	32 760
Other liabilities	0	50 927	50 927
TOTAL	0	83 687	83 687

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	Swedbank AS	Other Group companies	TOTAL
	EUR	EUR	EUR
Revenue and expenses			
Q2 of 2014			
Intermediary fee	-318 454	-200 000	-518 454
Revenue from insurance premium	278 760	475 305	754 065
Interest revenue	16 727	4 904	21 631
Expenses related to investments	-2 225	-20 235	-22 460
Other expenses	-225 746	-208 783	-434 529
Other revenue	0	1 166	1 166
Revenue and expenses			
Q2 of 2013			
Intermediary fee	-280 964	-223 959	-504 923
Revenue from insurance premium	214 143	504 714	718 857
Interest revenue	69 060	15 499	84 559
Expenses related to investments	-3 943	-48 949	-52 892
Other expenses	-217 189	-190 106	-407 295
Other revenue	0	2 996	2 996

	Swedbank AS	Other Group companies	TOTAL
	EUR	EUR	EUR
Revenue and expenses			
01.01. - 30.06.2014			
Intermediary fee	-593 247	-402 481	-995 728
Revenue from insurance premium	546 112	966 757	1 512 869
Interest revenue	21 522	11 325	32 847
Expenses related to investments	-3 849	-40 740	-44 589
Other expenses	-530 889	-454 247	-985 136
Other revenue	0	2 831	2 831
Revenue and expenses			
01.01. - 30.06.2014			
Intermediary fee	-529 208	-375 996	-905 204
Revenue from insurance premium	375 560	1 011 742	1 387 302
Interest revenue	135 160	29 448	164 608
Expenses related to investments	-7 582	-93 593	-101 175
Other expenses	-436 514	-369 212	-805 726
Other revenue	0	4 779	4 779
