

SWEDBANK P&C INSURANCE AS

Interim Report

As of 30 June 2015

Swedbank P&C Insurance AS

INTERIM REPORT OF Q2 OF 2015

| | |
|--------------------------|--|
| Business name | Swedbank P&C Insurance AS |
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| E-mail | varakindlustus@swedbank.ee |
| Website | www.swedbank.ee/varakindlustus |
| 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 2015 of Swedbank P&C Insurance AS presented on pages 8–23. The interim report has been signed by members of the Management Board Margus Liigand, Ivika Torpel, Peeter Kabbun, Vaida Janušytė, Mihkel Mandre. 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 2015

The sole shareholder of Swedbank P&C Insurance AS (hereinafter also the Company) is Swedbank AS. The share capital of the Company is EUR 7,210,000.

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 19.05.2015 the term of office of a Member of the Management Board Peeter Kabbun was extended for three years. 25.06.2015 Mihkel Mandre was appointed as the member of the Management Board of Swedbank P&C Insurance AS. The Board continues with five members.

Results of Business Operations of Q2 of 2015

The financial results of the Company in Q2 were still very good, however underperformed last year's results. The loss ratio in Q2 was 58.7%, year before 53.2%. The loss ratio improved in loan payment protection insurance and travel insurance, however became worse in vehicle related insurances compared to Q2 2014. The loss ratio of 6 months was 56.1%, year before 52.9%. 6 months loss ratio improved in property and travel insurance. In yearly comparison of the first half year the frequency and severity of claims has increased in motor own damage and motor third party liability insurance.

The operating expenses of the Company are still low. The expense ratio of the Company remained at very good level in the general context of the insurance market, and it decreased in comparison to 2014. The expense ratio for Q2 2015 was 14.9%, year before 15.2%. 6 months expense ratio was 13.9%, year before 14.8%.

The combined ratio of Q2 was 73.6% (Q2 2014: 68.4%), technical profit EUR 3.5 million (Q2 2014: EUR 3.7 million) and net profit EUR 3.2 million (Q2 2014: EUR 1.3 million). The lower net profit of Q2 2014 is resulting from income tax paid on dividend distribution. The combined ratio of 6 months was 70.0% (6 months 2014: 67.7%), technical profit EUR 7.9 million (6 months 2014: EUR 7.6 million) and net profit EUR 5.4 million (6 months 2014: EUR 4.9 million).

Swedbank P&C Insurance AS

LETTER OF EXPLANATION TO THE INTERIM REPORT OF Q2 OF 2015

Sales results of Company in Estonia

(in thousands of euros)

| | Q2 of 2015 | Proportion | 6 months 2015 | Proportion |
|--|---------------|-------------|------------------|-------------|
| Motor own damage insurance | 4 268 | 41.7% | 8 839 | 43.1% |
| Home insurance | 3 352 | 32.7% | 6 568 | 32.1% |
| Motor third party liability insurance | 1 261 | 12.3% | 2 407 | 11.7% |
| Loan payment protection insurance | 748 | 7.3% | 1 453 | 7.1% |
| Travel insurance | 532 | 5.2% | 1 096 | 5.3% |
| Apartment building insurance | 82 | 0.8% | 146 | 0.7% |
| Other | 4 | 0.0% | 7 | 0.0% |
| TOTAL | 10 247 | 100% | 20 516 | 100% |

Sales Results of Company in Latvia

(in thousands of euros)

| | Q2 of 2015 | Proportion | 6 months 2015 | Proportion |
|--|--------------|-------------|------------------|-------------|
| Home insurance | 1 144 | 53.8% | 2 219 | 53.0% |
| Motor own damage insurance | 610 | 28.7% | 1 245 | 29.7% |
| Motor third party liability insurance | 187 | 8.8% | 365 | 8.7% |
| Travel insurance | 136 | 6.4% | 270 | 6.4% |
| Loan payment protection insurance | 39 | 1.8% | 71 | 1.7% |
| Other | 10 | 0.5% | 20 | 0.5% |
| TOTAL | 2 126 | 100% | 4 190 | 100% |

Sales Results of Company in Lithuania

(in thousands of euros)

| | Q2 of 2015 | Proportion | 6 months 2015 | Proportion |
|--------------------------------------|--------------|-------------|------------------|-------------|
| Home insurance | 1 140 | 62.0% | 2 106 | 60.9% |
| Motor own damage insurance | 325 | 17.7% | 634 | 18.3% |
| Travel insurance | 244 | 13.3% | 478 | 13.8% |
| Loan payment protection insurance | 85 | 4.6% | 155 | 4.5% |
| Other | 44 | 2.4% | 88 | 2.5% |
| TOTAL | 1 838 | 100% | 3 461 | 100% |

Swedbank P&C Insurance AS

LETTER OF EXPLANATION TO THE INTERIM REPORT OF Q2 OF 2015

The volume of net premiums earned by the Company in Q2 was EUR 13.4 million (Q2 2014: EUR 11.8 million) and net premiums earned of 6 months was EUR 26.5 million (6 months 2014: EUR 23.5 million). The volume of net claims in Q2 was EUR 7.8 million (Q2 2014: EUR 6.3 million). The volume of net claims of 6 months was EUR 14.8 million (6 months 2014: EUR 12.4 million).

Insurance premiums have increased compared to Q2 2014 13.9% (6 months growth was 14.1%). The main source of the increase of insurance premiums is still continuing active sales in home insurance, where yearly insurance premium growth was 24.9% compared to Q2 2014. In comparison to Q2 2014 motor own damage insurance premiums have increased 4.7%. The insurance premium of motor third party liability was in slight decrease, in comparison to Q2 2014 the decrease was 1.1%.

Assets of Company

The assets of the Company formed EUR 46.2 million as of 30. June 2015, which is EUR 3.1 million more compared to previous quarter.

The volume of financial investments formed EUR 21.6 million, which is EUR 2.4 million less than at the end of Q1 2015. The financial investments of the Company exceeded technical liabilities 1.1 times.

Number of Employees and Staff Costs

As of 30 June 2015, the Company employed 106 people – 66 in Estonia, 20 in Latvia and 20 in Lithuania. The number of employees has increased by 5. Labour costs of Q2 were EUR 573.6 thousand (Q2 2014: EUR 596.2 thousand).

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

During 2015, one of the Company's primary aims is to harmonize non-life insurance offering and availability in Baltic countries.

Important role is also on increasing efficiency by aligning the ways of working and establishing common metrics across the countries in order to improve operational quality and control costs.

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

| In euros | 01.01.2015 - 30.06.2015 | 01.01.2014 - 30.06.2014 |
|---------------------------------------|------------------------------------|------------------------------------|
| Gross premium | 28 167 293 | 24 681 653 |
| Premiums earned net of reinsurance | 26 467 249 | 23 498 606 |
| Claims incurred net of reinsurance | 14 841 471 | 12 440 800 |
| Net operating expenses | 3 683 801 | 3 481 738 |
| Return of insurance activities | 7 941 977 | 7 576 068 |
| Net profit | 5 355 914 | 4 914 620 |
| Net claims ratio | 56.1% | 52.9% |
| Net expense ratio | 13.9% | 14.8% |
| Combined ratio | 70.0% | 67.7% |
| Balance sheet total | 43 089 291 | 43 818 382 |
| Equity | 24 977 979 | 23 713 848 |

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

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

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

Swedbank P&C Insurance AS

BALANCE SHEET as of 30th of June 2015

| | Note | 30.06.2015 | 31.12.2014 |
|---|------|-------------------|-------------------|
| | | EUR | EUR |
| ASSETS | | | |
| Cash and cash equivalents | | 17 945 559 | 9 270 039 |
| Financial investments | 2 | 21 557 017 | 34 932 867 |
| Bonds | | 5 095 167 | 11 029 068 |
| Term deposits | | 16 461 850 | 23 903 799 |
| Receivables related to insurance activities | | 2 902 513 | 3 232 281 |
| Accrued income and prepaid expenses | | 210 115 | 88 375 |
| Reinsurance assets | 3 | 3 561 673 | 3 144 713 |
| Receivables | | 1 265 087 | 1 161 893 |
| Technical provisions | | 2 296 586 | 1 982 820 |
| Deferred tax assets | | 930 | 930 |
| Tangible assets | 4 | 16 227 | 17 875 |
| Total assets | | 46 194 034 | 50 687 080 |
| LIABILITIES AND EQUITY | | | |
| Liabilities related to insurance activities | 5 | 19 794 951 | 18 339 445 |
| Technical provisions | | 17 843 209 | 16 502 451 |
| Liabilities related to reinsurance | | 1 551 404 | 1 501 352 |
| Other | | 400 338 | 335 642 |
| Other liabilities | 6 | 1 421 104 | 1 100 493 |
| Total liabilities | | 21 216 055 | 19 439 938 |
| Equity | | | |
| Share capital | | 7 210 000 | 7 210 000 |
| Share premium | | 1 | 1 |
| Legal reserve | | 721 000 | 300 002 |
| Retained earnings | | 11 691 064 | 11 289 225 |
| Net profit for current period | | 5 355 914 | 12 447 914 |
| Total equity | | 24 977 979 | 31 247 142 |
| Total liabilities and equity | | 46 194 034 | 50 687 080 |

Swedbank P&C Insurance AS

STATEMENT OF COMPREHENSIVE INCOME of Q2 of 2015

| | Note | Q2 of 2015 EUR | Q2 of 2014 EUR |
|--|------|-------------------|-------------------|
| Premiums earned, net of reinsurance | 7 | | |
| Premiums earned | | 14 374 303 | 12 555 948 |
| Reinsurance premium | | -1 005 979 | -778 021 |
| TOTAL | | 13 368 324 | 11 777 927 |
| Claims incurred, net of reinsurance | 8 | | |
| Claims incurred, gross | | 7 921 193 | 6 183 354 |
| Claims handling expenses | | 495 908 | 456 405 |
| Share of reinsurance in claims incurred | | -571 730 | -369 996 |
| TOTAL | | 7 845 371 | 6 269 763 |
| Operating expenses | | | |
| Acquisition costs, net of reinsurance | 10 | 799 977 | 824 512 |
| Administrative expenses | 11 | 1 141 198 | 913 237 |
| Other operating expenses | | 55 794 | 52 595 |
| TOTAL | | 1 996 969 | 1 790 344 |
| Return of insurance activities | | 3 525 984 | 3 717 820 |
| Investment revenue and expenses, net | 12 | -94 963 | 22 820 |
| Other income | | 933 | 1 938 |
| Other expenses | | 69 572 | 68 347 |
| Profit before income tax | | 3 362 382 | 3 674 231 |
| Income tax | | 118 027 | 2 384 836 |
| Net profit for the period | | 3 244 355 | 1 289 395 |
| Unrealised foreign exchange rates differences | | 0 | 3 889 |
| Total comprehensive income for the period | | 3 244 355 | 1 293 284 |

Swedbank P&C Insurance AS

STATEMENT OF COMPREHENSIVE INCOME for 01.01.-30.06.2015

| | Note | 01.01.2015 - 30.06.2015 | 01.01.2014 - 30.06.2014 |
|--|------|----------------------------|----------------------------|
| | | EUR | EUR |
| Premiums earned, net of reinsurance | 7 | | |
| Premiums earned | | 28 314 705 | 24 740 730 |
| Reinsurance premium | | -1 847 456 | -1 242 124 |
| TOTAL | | 26 467 249 | 23 498 606 |
| Claims incurred, net of reinsurance | 8 | | |
| Claims incurred, gross | | 14 888 213 | 12 145 718 |
| Claims handling expenses | | 989 883 | 956 336 |
| Share of reinsurance in claims incurred | | -1 036 625 | -661 254 |
| TOTAL | | 14 841 471 | 12 440 800 |
| Operating expenses | | | |
| Acquisition costs, net of reinsurance | 10 | 1 308 965 | 1 426 889 |
| Administrative expenses | 11 | 2 266 647 | 1 954 208 |
| Other operating expenses | | 108 189 | 100 641 |
| TOTAL | | 3 683 801 | 3 481 738 |
| Return of insurance activities | | 7 941 977 | 7 576 068 |
| Investment revenue and expenses, net | 12 | 1 951 | -10 762 |
| Other income | | 2 762 | 4 061 |
| Other expenses | | 139 255 | 141 188 |
| Profit before income tax | | 7 807 435 | 7 428 179 |
| Income tax | | 2 451 521 | 2 513 559 |
| Net profit for the period | | 5 355 914 | 4 914 620 |
| Unrealised foreign exchange rates differences | | 0 | 3 889 |
| Total comprehensive income for the period | | 5 355 914 | 4 918 509 |

Swedbank P&C Insurance AS

STATEMENT OF CASH FLOWS for 01.01.-30.06.2015

| | 01.01.2015 - 30.06.2015 EUR | 01.01.2014 - 30.06.2014 EUR |
|--|-----------------------------------|-----------------------------------|
| Cash flow from operating activities | 6 808 645 | -3 701 729 |
| Insurance premiums received | 28 854 283 | 25 335 168 |
| Claims, recourses and handling expenses paid | -14 113 554 | -12 427 397 |
| Settlements with reinsurers | -811 165 | -335 075 |
| Operating expenses paid | -4 600 778 | -16 125 964 |
| Income tax paid | -2 524 065 | -177 576 |
| Other income and expenses | 3 924 | 29 115 |
| Cash flow from investing activities | 13 367 272 | 22 613 049 |
| Paid for tangible assets | -4 266 | -29 444 |
| Interest received | 94 312 | 681 463 |
| Acquisition of bonds | -568 062 | -10 066 287 |
| Disposal of bonds | 6 435 226 | 3 404 372 |
| Placed in term deposits | -3 700 000 | -33 095 950 |
| Proceeds from expired term deposits | 11 135 950 | 61 783 860 |
| Investment expenses paid | -25 888 | -64 965 |
| Cash flow from financing activities | -11 500 000 | -11 001 984 |
| Dividends paid | -11 000 000 | -50 000 000 |
| Finance lease principal repayments | -1 530 | -5 700 |
| Interest paid | -454 | -763 |
| TOTAL CASH FLOW | 8 675 917 | 7 909 336 |
| Cash and cash equivalents at beginning of the period | 9 270 039 | 1 451 468 |
| Change in cash and cash equivalents | 8 675 917 | 7 909 336 |
| Effect of exchange rate changes | -397 | 2 751 |
| Cash and cash equivalents at end of the period | 17 945 559 | 9 363 555 |

Swedbank P&C Insurance AS

STATEMENT OF CHANGES IN EQUITY for 01.01 – 30.06.2015

| | Share capital | Share premium | Legal reserve | Unrealised foreign exchange rates differences | Retained earnings | Total equity |
|---|------------------|------------------|----------------|---|-------------------|-------------------|
| | EUR | EUR | EUR | EUR | EUR | EUR |
| As at 31.12.2013 | 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 |
| As at 31.12.2014 | 7 210 000 | 1 300 002 | 0 | 0 | 23 737 139 | 31 247 142 |
| Net profit for the year | 0 | 0 | 0 | 0 | 5 355 914 | 5 355 914 |
| Dividends paid | 0 | 0 | 0 | 0 | -11 500 000 | -11 500 000 |
| Change in Legal reserve | 0 | 0 | 420 998 | 0 | -420 998 | 0 |
| Fair value adjustment of share based payment at the settlement date | 0 | 0 | 0 | 0 | -125 077 | -125 077 |
| As at 30.06.2015 | 7 210 000 | 1 721 000 | 0 | 0 | 17 046 978 | 24 977 979 |

Swedbank P&C Insurance AS

NOTES TO INTERIM REPORT OF Q2 OF 2015

NOTE 1. ACCOUNTING POLICIES AND PROCEDURES USED

The interim report of Q2 of 2015 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 2014. The comparative data of this interim report are figures of Q2 of 2014.

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. 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:

| | 30.06.2015 | | 31.12.2014 | |
|------------------------------|-------------------|---------------|-------------------|---------------|
| | EUR | proportion | EUR | proportion |
| Bonds | 5 095 167 | 23.6% | 11 029 068 | 30.2% |
| Term deposits | 16 461 850 | 76.1% | 23 903 799 | 65.6% |
| Cash in investment portfolio | 76 250 | 0.3% | 1 540 214 | 4.2% |
| TOTAL | 21 633 267 | 100.0% | 36 473 081 | 100.0% |

Swedbank P&C Insurance AS

NOTES TO INTERIM REPORT OF Q2 OF 2015

NOTE 3. REINSURANCE ASSETS

| | 30.06.2015 | 31.12.2014 |
|---|-------------------|-------------------|
| | EUR | EUR |
| Provisions | 2 296 586 | 1 982 820 |
| Reinsurer's share in provision for unearned premium | 682 634 | 662 305 |
| Reinsurer's share in provision for outstanding claims | 1 613 952 | 1 320 515 |
| Receivables | 1 265 087 | 1 161 893 |
| Reinsurance commission | 383 541 | 378 507 |
| Share of reinsurance in claims | 815 370 | 716 757 |
| Refundable reinsurance premium | 66 176 | 66 629 |
| TOTAL | 3 561 673 | 3 144 713 |

Swedbank P&C Insurance AS

NOTES TO INTERIM REPORT OF Q2 OF 2015

NOTE 4. TANGIBLE FIXED ASSETS

| | Vehicles | Other tangible fixed assets | Total |
|---------------------------------------|---------------|--------------------------------|---------------|
| | EUR | EUR | EUR |
| Residual value 31.12.2014 | 0 | 17 875 | 17 875 |
| Fixed assets acquired | 0 | 2 070 | 2 070 |
| Depreciation during the period | 0 | -2 935 | -2 935 |
| Fixed assets at the acquisition cost | 0 | 36 778 | 36 778 |
| Accumulated depreciation | 0 | -19 768 | -19 768 |
| Residual value 31.03.2015 | 0 | 17 010 | 17 010 |
| Fixed assets acquired | 0 | 2 196 | 2 196 |
| Depreciation during the period | 0 | -2 979 | -2 979 |
| Fixed assets at the acquisition cost | 0 | 38 974 | 38 974 |
| Accumulated depreciation | 0 | -22 747 | -22 747 |
| Residual value 30.06.2015 | 0 | 16 227 | 16 227 |
| Residual value 31.12.2013 | 32 963 | 25 626 | 58 589 |
| 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 |

Swedbank P&C Insurance AS

NOTES TO INTERIM REPORT OF Q2 OF 2015

NOTE 5. LIABILITIES RELATED TO INSURANCE ACTIVITIES

| | 30.06.2015 | 31.12.2014 |
|---|-------------------|-------------------|
| | EUR | EUR |
| Technical provisions | 17 843 209 | 16 502 451 |
| Provision for unearned premium | 4 671 605 | 4 819 017 |
| Provision for outstanding claims | 13 114 014 | 11 621 611 |
| Unexpired risk reserve | 57 590 | 61 823 |
| Liabilities related to reinsurance | 1 551 404 | 1 501 352 |
| Reinsurance premium | 1 459 655 | 1 430 089 |
| Reinsurance share in recoveries | 74 216 | 53 609 |
| Refundable commissions | 17 533 | 17 654 |
| Other liabilities | 400 338 | 335 642 |
| Policyholders | 58 698 | 31 938 |
| Other | 341 640 | 303 704 |
| TOTAL | 19 794 951 | 18 339 445 |

NOTE 6. OTHER LIABILITIES

| | 30.06.2015 | 31.12.2014 |
|-------------------|-------------------|-------------------|
| | EUR | EUR |
| Accounts payable | 200 260 | 26 438 |
| Accrued expenses | 1 174 691 | 1 027 355 |
| Other liabilities | 46 153 | 46 700 |
| TOTAL | 1 421 104 | 1 100 493 |

Swedbank P&C Insurance AS

NOTES TO INTERIM REPORT OF Q2 OF 2015

NOTE 7. PREMIUMS EARNED NET OF REINSURANCE

| | Q2 of 2015 | Q2 of 2014 |
|--|-------------------|-------------------|
| | EUR | EUR |
| Gross premium (see Note 9) | 14 211 130 | 12 474 078 |
| Change in provisions for unearned premium | 163 173 | 81 870 |
| Premiums earned | 14 374 303 | 12 555 948 |
| Reinsurance premium | -1 040 121 | -999 517 |
| Reinsurance share in change of provisions for unearned premium | 34 142 | 221 496 |
| Reinsurance premium | -1 005 979 | -778 021 |
| TOTAL | 13 368 324 | 11 777 927 |

| | 01.01.2015 | 01.01.2014 |
|--|-------------------|-------------------|
| | - | - |
| | 30.06.2015 | 30.06.2014 |
| | EUR | EUR |
| Gross premium (see Note 9) | 28 167 293 | 24 681 653 |
| Change in provisions for unearned premium | 147 412 | 59 077 |
| Premiums earned | 28 314 705 | 24 740 730 |
| Reinsurance premium | -1 867 785 | -1 838 894 |
| Reinsurance share in change of provisions for unearned premium | 20 329 | 596 770 |
| Reinsurance premium | -1 847 456 | -1 242 124 |
| TOTAL | 26 467 249 | 23 498 606 |

Swedbank P&C Insurance AS

NOTES TO INTERIM REPORT OF Q2 OF 2015

NOTE 8. CLAIMS INCURRED, NET OF REINSURANCE

| | Q2 of 2015 | Q2 of 2014 |
|--|------------------|------------------|
| Claims incurred, gross amount | 7 921 193 | 6 183 354 |
| Claims paid (see Note 9) | 7 262 871 | 5 549 292 |
| Change in the claims provision | 1 371 858 | 1 036 968 |
| Amounts recovered from salvage and recourses | -713 536 | -402 906 |
| Claims handling expenses | 495 908 | 456 405 |
| Direct claims handling expenses | 228 444 | 202 438 |
| Indirect claims handling expenses | 267 464 | 253 967 |
| Staff costs | 199 919 | 178 854 |
| Depreciation of fixed assets | 1 043 | 926 |
| Other | 66 502 | 74 187 |
| Reinsurers` share of claims incurred | -571 730 | -369 996 |
| Reinsurers` share in claims paid | -411 939 | -190 706 |
| Reinsurers` share in change of claims provisions | -159 791 | -179 290 |
| TOTAL | 7 845 371 | 6 269 763 |

| | 01.01.2015 | 01.01.2014 |
|--|-------------------|-------------------|
| | - | - |
| | 30.06.2015 | 30.06.2014 |

| | | |
|--|-------------------|-------------------|
| Claims incurred, gross amount | 14 888 213 | 12 145 718 |
| Claims paid (see Note 9) | 14 775 519 | 12 757 292 |
| Change in the claims provision | 1 488 170 | 411 098 |
| Amounts recovered from salvage and recourses | -1 375 476 | -1 022 672 |
| Claims handling expenses | 989 883 | 956 336 |
| Direct claims handling expenses | 446 531 | 447 978 |
| Indirect claims handling expenses | 543 352 | 508 358 |
| Staff costs | 412 822 | 374 535 |
| Depreciation of fixed assets | 2 085 | 1 804 |
| Other | 128 445 | 132 019 |
| Reinsurers` share of claims incurred | -1 036 625 | -661 254 |
| Reinsurers` share in claims paid | -743 188 | -253 553 |
| Reinsurers` share in change of claims provisions | -293 437 | -407 701 |
| TOTAL | 14 841 471 | 12 440 800 |

Swedbank P&C Insurance AS

NOTES TO INTERIM REPORT OF Q2 OF 2015

NOTE 9. GROSS PREMIUM AND CLAIMS PAID BY PRODUCTS

| | Gross premium | Claims paid |
|---------------------------------------|-------------------|------------------|
| Q2 of 2015 | EUR | EUR |
| Motor own damage insurance | 5 203 308 | 3 940 194 |
| Home insurance | 5 636 024 | 1 800 833 |
| Motor third party liability insurance | 1 447 518 | 836 636 |
| Travel insurance | 911 631 | 536 903 |
| Loan payment protection insurance | 871 800 | 141 361 |
| Apartment building insurance | 82 358 | 1 962 |
| Other | 58 491 | 4 982 |
| TOTAL | 14 211 130 | 7 262 871 |

| Q2 of 2014 | EUR | EUR |
|---------------------------------------|-------------------|------------------|
| Motor own damage insurance | 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 |

| | Gross premium | Claims paid |
|---------------------------------------|-------------------|-------------------|
| 01.01.2015 - 30.06.2015 | EUR | EUR |
| Motor own damage insurance | 10 717 519 | 8 099 011 |
| Home insurance | 10 893 128 | 3 535 668 |
| Motor third party liability insurance | 2 771 456 | 1 638 743 |
| Travel insurance | 1 844 460 | 1 196 139 |
| Loan payment protection insurance | 1 679 240 | 285 152 |
| Apartment building insurance | 146 442 | 8 728 |
| Other | 115 048 | 12 078 |
| TOTAL | 28 167 293 | 14 775 519 |

| 01.01.2014 - 30.06.2014 | EUR | EUR |
|---------------------------------------|-------------------|-------------------|
| Motor own damage insurance | 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 |

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NOTE 10. ACQUISITION COSTS NET OF REINSURANCE

| | Q2 of 2015 | Q2 of 2014 |
|---|-------------------|-------------------|
| | EUR | EUR |
| Outsourced services | 690 195 | 525 186 |
| Staff costs | 14 909 | 89 290 |
| Other operating expenses | 277 209 | 247 283 |
| Depreciation and impairment on fixed assets | 0 | 467 |
| Reinsurance commission | -191 383 | -195 858 |
| Change of accrued reinsurance commissions | 9 047 | 158 144 |
| TOTAL | 799 977 | 824 512 |

| | 01.01.2015 - 30.06.2015 | 01.01.2014 - 30.06.2014 |
|---|------------------------------------|------------------------------------|
| | EUR | EUR |
| Outsourced services | 1 322 907 | 1 036 389 |
| Staff costs | 26 748 | 251 724 |
| Other operating expenses | 320 400 | 353 487 |
| Depreciation and impairment on fixed assets | 84 | 1 005 |
| Reinsurance commission | -366 561 | -373 860 |
| Change of accrued reinsurance commissions | 5 387 | 158 144 |
| TOTAL | 1 308 965 | 1 426 889 |

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NOTE 11. ADMINISTRATIVE EXPENSES

| | Q2 of 2015 | Q2 of 2014 |
|---|-------------------|-------------------|
| | EUR | EUR |
| Staff costs | 358 756 | 328 016 |
| Other operating expenses | 609 843 | 459 160 |
| Depreciation and impairment on fixed assets | 1 936 | 2 272 |
| Outsourced services | 170 663 | 123 789 |
| TOTAL | 1 141 198 | 913 237 |

| | 01.01.2015 - | 01.01.2014 - |
|---|---------------------|---------------------|
| | 30.06.2015 | 30.06.2014 |
| | EUR | EUR |
| Staff costs | 777 864 | 618 921 |
| Other operating expenses | 1 203 064 | 1 063 027 |
| Depreciation and impairment on fixed assets | 3 745 | 4 834 |
| Outsourced services | 281 974 | 267 426 |
| TOTAL | 2 266 647 | 1 954 208 |

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NOTE 12. INVESTMENT REVENUE AND EXPENSES

| | Q2 of 2015 | Q2 of 2014 |
|---|-------------------|-------------------|
| | EUR | EUR |
| Interest income | 36 678 | 135 748 |
| Change in value of financial assets at fair value with changes through income statement | -123 369 | 61 213 |
| Losses from financial investments | -578 | -146 068 |
| Realised gains/losses from changes in currency rates | -790 | -808 |
| Other investment management expenses | -6 904 | -27 265 |
| TOTAL | -94 963 | 22 820 |

| | 01.01.2015 - 30.06.2015 | 01.01.2014 - 30.06.2014 |
|---|------------------------------------|------------------------------------|
| | EUR | EUR |
| Interest income | 85 169 | 221 879 |
| Change in value of financial assets at fair value with changes through income statement | -54 528 | -23 555 |
| Losses from financial investments | -5 485 | -153 278 |
| Realised gains/losses from changes in currency rates | -1 853 | -1 676 |
| Other investment management expenses | -21 352 | -54 132 |
| TOTAL | 1 951 | -10 762 |

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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 30.06.2015 | | | |
| Cash and deposits | 27 558 902 | 4 686 657 | 32 245 559 |
| Receivables from insurance activities | 126 925 | 116 034 | 242 959 |
| Accrued interest | 57 141 | 0 | 57 141 |
| TOTAL | 27 742 968 | 4 802 691 | 32 545 659 |
| Receivables and liabilities as of 31.12.2014 | | | |
| Cash and deposits | 24 212 426 | 3 593 563 | 27 805 989 |
| Receivables from insurance activities | 112 593 | 105 511 | 218 104 |
| Accrued interest | 54 591 | 1 817 | 56 408 |
| TOTAL | 24 379 610 | 3 700 891 | 28 080 501 |
| Other liabilities | | | |
| | 0 | 6 250 | 6 250 |
| TOTAL | 0 | 6 250 | 6 250 |

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| | Swedbank AS | Other Group companies | TOTAL |
|--|--------------------|----------------------------------|--------------|
| | EUR | EUR | EUR |
| Revenue and expenses Q2 of 2015 | | | |
| Intermediary fee | -383 776 | -283 836 | -667 612 |
| Revenue from insurance premium | 375 472 | 466 438 | 841 910 |
| Interest revenue | 19 475 | 866 | 20 341 |
| Expenses related to investments | -883 | -4 401 | -5 284 |
| Other expenses | -373 625 | -174 675 | -548 300 |
| Other revenue | 0 | 381 | 381 |
| 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 |

| | Swedbank AS | Other Group companies | TOTAL |
|---|--------------------|----------------------------------|--------------|
| | EUR | EUR | EUR |
| Revenue and expenses 01.01. - 30.06.2015 | | | |
| Intermediary fee | -727 070 | -531 922 | -1 258 992 |
| Revenue from insurance premium | 725 821 | 931 750 | 1 657 571 |
| Interest revenue | 42 455 | 1 750 | 44 205 |
| Expenses related to investments | -2 828 | -14 030 | -16 858 |
| Other expenses | -662 046 | -474 936 | -1 136 982 |
| Other revenue | 0 | 1 961 | 1 961 |
| 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 |
