



*If P&C Insurance AS*

**Interim Report**

**3<sup>rd</sup> Quarter 2022**

**Translation from Estonian language**

## Contacts and signatures

If P&C Insurance AS main field of activity is non-life insurance services.

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Beginning of reporting period:	<i>1 January 2022</i>
End of reporting period:	<i>30 September 2022</i>
Chairman of the Management Board:	<i>Andris Morozovs</i>
Auditor:	<i>AS Deloitte Audit Eesti</i>

If P&C Insurance AS management board has compiled 3<sup>rd</sup> quarter 2022 interim report which is presented on pages 7-20.

Member of the Management Board	Heinar Olak	/Signature/	29.11.2022
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Member of the Management Board	Tiit Kolde	/Signature/	29.11.2022
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## EXPLANATORY NOTE

If P&C Insurance AS (the Company, If) is a wholly owned subsidiary of the leading Nordic property and casualty Insurance group If P&C Insurance Holding Ltd (publ), which in turn is owned by the Finnish company Sampo plc. Sampo plc is listed on the Helsinki Stock Exchange and the Sampo Group is made up of the parent company Sampo plc and its subsidiaries If P&C, Mandatum Life, Hastings and Topdanmark.

If has been offering property and casualty insurance to private individuals and corporate customers in the Baltic markets since 1992. Across the Baltic countries, If has approximately 355,000 policyholders and is one of the leading P&C companies in Estonia. If's products include Property, Liability, Motor, Marine & Transport and Accident & Health insurance.

The Company is registered in Estonia and operates in Latvia and Lithuania through branches. The current corporate structure enables efficient operations with some shared business functions across all three Baltic countries.

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 9 months of 2022

The technical result reduced from €13.7 million in 9 months of 2021 to €12.5 million in 2022, combined ratio increased to 90.7% (88.1%).

Gross premiums written for the 9 months of 2022 amounted to €156.8 million (€128.2 million in 2021). Premium volume growth (22.3%) is attributable to successful acquisition of new customers and solid renewals of existing customers, both in the large customer segment as well as in Private and Commercial small- and medium customer segments. Premium rates were adjusted substantially during the first 9 months of 2022 due to increasing claims inflation, rate increases contributed substantially to the premium volume growth.

Baltic P&C insurance market premium volume grew by 21% during the first 9 months of 2022 compared to year before.

Total claims cost, including claims handling expenses, increased from €72.6 million in the first 9 months of 2021 to €89,7 million in first 9 months of 2022, loss ratio increased to 66.7% (63.2%). Current year claims cost was affected negatively due to increased claims cost inflation in 2022.

Continuous efficiency improvements and tight cost control, supported by digitalization and automation of customer interaction processes, reduced the Expense ratio for the first 9 months of 2022 to 24.1% (24.9% in 2021). Total expenses, excluding claims handling cost, increased to €32.4 million (€28,6 million in 2021) mainly due to salary inflation.

The overall net profit before tax reduced to €10.9 million (€11,7) in first 9 months of 2022. Income tax cost was 3.9 million (€3.7) and increased mainly due to the dividend distribution from the profit earned in Estonia which is taxed with corporate income tax in the dividend distribution period.

## KEY FIGURES

€000	Q1-Q3 2022	Q1-Q3 2021
Premiums written, gross	156,785	128,238
Premiums earned, net of reinsurance	134,619	114,868
Claims incurred, net of reinsurance	89,734	72,581
Operating expenses <sup>1</sup>	32,397	28,567
Technical result <sup>2</sup>	12,487	13,721
Profit before taxes	14,879	15,439
Net profit	10,986	11,713
Combined ratio <sup>3</sup>	90.7%	88.1%
Expense ratio <sup>4</sup>	24.1%	24.9%
Loss ratio <sup>5</sup>	66.7%	63.2%
Return on investments <sup>6</sup>	-12.6%	0.8%

**Formulas:**

<sup>1</sup> Operating expenses	Insurance contract acquisition costs and administrative expenses (+) reinsurance commissions and other income
<sup>2</sup> Technical result	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)	$\frac{\text{Investment income (-) investment expenses (+) changes in fair value recognised in other comprehensive income}}{\text{Weighted average volume of financial investments in the period}}$

### Investment result

The value of financial investments was €302.9 million at the end of Q3 2022 (€276.2 million at the end of 2021).

Negative performance trend continued in the third quarter of the year amid rising interest rates and widening spread levels. Inflation numbers remained elevated as figures continued to print higher than expected. Net investment return was €2.39 million (€1.72 million in 2021) in the income statement and -€29.64 million (-€0.59 million in 2021) in other comprehensive income. The total investment return was -12.6% (0.8% in 2021) and -27.25 m € (1.13 m € in 2021) in absolute terms.

Performance of the fixed income portfolio got badly hit in line with the increasing interest rates and widening spreads. 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 selectively into medium term instruments.

### Number of employees

As at 30 September 2022, the number of full-time employees was 573 (31.12.2021 550).

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

If offers the complete range of P&C insurance products to private individuals and corporate customers in the Baltic countries. If is currently the fourth-largest P&C insurer in the Baltic region combined.

During the third quarter If has continued growing its visibility, focusing on private property and pet products.

In August we invited all employees to the events in all Baltic countries, which were dedicated to discuss about upcoming autumn and future plans. In these turbulent times, when there is much of uncertainty, our leaders shared company's direction for upcoming period and external economists shared insights about future economics and how it may impact both our business and personal life.

If remains focused on its ambition to have the most satisfied customers and customer surveys confirm that. Recently, a survey conducted in the Baltic countries by research company Dive showed that If's service is the one of the best among insurers, taking second place in Estonia and Lithuania. Besides that, If was recognized as most loved brand in insurance category in Estonia by Baltic Brands Rating - the most extensive brand perception and lifestyle research done in Baltics by RAIT, in August 2022.

**STATEMENT OF COMPREHENSIVE INCOME**

€000	Note	Q3 2022	Q3 2021
<b>PREMIUMS EARNED, NET OF REINSURANCE</b>			
Premiums earned, gross		49,404	41,735
Premiums ceded		-1,100	-1,183
<b>TOTAL</b>	2	<b>48,304</b>	<b>40,552</b>
<b>OTHER INCOME</b>			
Investment result	3	886	554
Reinsurance commissions and other income		89	96
<b>TOTAL</b>		<b>975</b>	<b>650</b>
<b>TOTAL REVENUE</b>		<b>49,279</b>	<b>41,202</b>
<b>CLAIMS INCURRED, NET OF REINSURANCE</b>			
Claims incurred, gross		-33,731	-26,688
Reinsurers' share of claims incurred		1,874	29
<b>TOTAL</b>	4	<b>-31,857</b>	<b>-26,659</b>
<b>EXPENSES</b>			
Insurance contract acquisition costs		-7,177	-6,366
Administrative expenses		-4,254	-3,776
<b>TOTAL</b>	5	<b>-11,431</b>	<b>-10,142</b>
<b>TOTAL CLAIMS AND EXPENSES</b>		<b>-43,288</b>	<b>-36,801</b>
<b>NET RESULT BEFORE TAXES</b>		<b>5,991</b>	<b>4,401</b>
INCOME TAX		-268	-182
<b>NET PROFIT FOR THE FINANCIAL PERIOD</b>		<b>5,723</b>	<b>4,219</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS</b>			
Change in the value of available-for-sale assets		-7,864	-305
<b>TOTAL</b>		<b>-7,864</b>	<b>-305</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<b>-2,141</b>	<b>3,914</b>

**STATEMENT OF COMPREHENSIVE INCOME**

€000	Note	Q1-Q3 2022	Q1-Q3 2021
<b>PREMIUMS EARNED, NET OF REINSURANCE</b>			
Premiums earned, gross		137,867	118,260
Premiums ceded		-3,249	-3,391
<b>TOTAL</b>	2	<b>134,618</b>	<b>114,869</b>
<b>OTHER INCOME</b>			
Investment result	3	2,391	1,718
Reinsurance commissions and other income		272	290
<b>TOTAL</b>		<b>2,663</b>	<b>2,008</b>
<b>TOTAL REVENUE</b>		<b>137,281</b>	<b>116,877</b>
<b>CLAIMS INCURRED, NET OF REINSURANCE</b>			
Claims incurred, gross		-91,019	-72,926
Reinsurers' share of claims incurred		1,285	345
<b>TOTAL</b>	4	<b>-89,734</b>	<b>-72,581</b>
<b>EXPENSES</b>			
Insurance contract acquisition costs		-20,301	-18,085
Administrative expenses		-12,367	-10,771
<b>TOTAL</b>	5	<b>-32,668</b>	<b>-28,856</b>
<b>TOTAL CLAIMS AND EXPENSES</b>		<b>-122,402</b>	<b>-101,437</b>
<b>NET RESULT BEFORE TAXES</b>		<b>14,879</b>	<b>15,440</b>
INCOME TAX		-3,893	-3,727
<b>NET PROFIT FOR THE FINANCIAL PERIOD</b>		<b>10,986</b>	<b>11,713</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS</b>			
Change in the value of available-for-sale assets		-29,642	-592
<b>TOTAL</b>		<b>-29,642</b>	<b>-592</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<b>-18,656</b>	<b>11,121</b>



**STATEMENT OF FINANCIAL POSITION**

€000	Note	30 September 2022	31 December 2021
<b>ASSETS</b>			
Cash and cash equivalents		32,128	78,327
Financial investments	7	302,848	276,198
Receivables related to insurance activities	6	49,074	36,267
Accrued income and prepaid expenses		5,441	4,551
Reinsurance assets	9	7,907	6,260
Investment in subsidiary		88	88
Property, plant and equipment	8	3,087	3,641
<b>TOTAL ASSETS</b>		<b>400,573</b>	<b>405,332</b>
<b>LIABILITIES AND EQUITY</b>			
Liabilities related to insurance activities		10,293	7,705
Lease liabilities		2,704	3,471
Accrued expenses and deferred income		9,510	7,847
Deferred tax liability		106	40
Liabilities arising from insurance contracts	9	237,063	208,616
<b>Total liabilities</b>		<b>259,676</b>	<b>227,679</b>
Share capital		6,391	6,391
Share premium		3,679	3,679
Mandatory capital reserve		2,362	2,362
Fair value reserve		-24,932	4,710
Retained earnings		142,411	142,341
Net profit for the year		10,986	18,170
<b>Total equity</b>		<b>140,897</b>	<b>177,653</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>400,573</b>	<b>405,332</b>

## STATEMENT OF CHANGES IN EQUITY

€000

	Share capital	Share premium	Mandatory capital reserve	Fair value reserve	Retained earnings	Net profit for the year	Total equity
<b>At 1 January 2021</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>7,268</b>	<b>160,541</b>	-	<b>180,241</b>
Dividends paid <sup>1)</sup>	-	-	-	-	-18,200	-	<b>-18,200</b>
Other comprehensive income	-	-	-	-2,558	-	-	<b>-2,558</b>
Net profit for the year	-	-	-	-	-	18,170	<b>18,170</b>
<b>At 31 December 2021</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>4,710</b>	<b>142,341</b>	<b>18,170</b>	<b>177,653</b>
<b>At 1 January 2022</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>4,710</b>	<b>160,511</b>	-	<b>177,653</b>
Dividends paid <sup>1)</sup>	-	-	-	-	-18,100	-	<b>-18,100</b>
Other comprehensive income	-	-	-	-29,642	-	-	<b>-29,642</b>
Net profit for the year	-	-	-	-	-	10,986	<b>10,986</b>
<b>At 30 September 2022</b>	<b>6,391</b>	<b>3,679</b>	<b>2,362</b>	<b>-24,932</b>	<b>142,411</b>	<b>10,986</b>	<b>140,897</b>

- <sup>1)</sup> In March 2022, the Company distributed 18.1 million euros (2021: 18.2 million euros) in dividends to the sole shareholder. In accordance with the Estonian Income Tax Act, income tax cost on the dividend distributed from the profit earned by the Company in Estonia, is recognized in the period of dividend payment, therefore related income tax expense appeared in the statement of comprehensive income. Dividend distributed from the profit earned by Latvian or Lithuanian branches is taxed in the respective country and is exempt from the corporate income tax in Estonia when distributing further to the sole shareholder of the Company.

**STATEMENT OF CASH FLOWS**

€000	Note	Q1-Q3 2022	Q1-Q3 2021
<b>Cash flow from operating activities</b>			
<b>Cash flow from insurance operations</b>			
Premiums received	2	145,791	122,026
Premiums ceded	2	-3,225	-3,522
Claims paid, incl. claims handling expenses	4, 5	-81,820	-68,958
Cash flow from reinsurance		524	312
Employee-related and service-related expenses		-31,950	-28,750
<b>TOTAL</b>		<b>29,320</b>	<b>21,108</b>
<b>Cash flow from asset management</b>			
Investments in bonds and other interest-bearing securities		-105,421	-9,918
Proceeds from disposals of bonds and other interest-bearing securities		49,973	19,870
Proceeds from term deposits		-	5,000
Interest received		2,415	2,937
Interest paid		-179	-6
<b>TOTAL</b>		<b>-53,211</b>	<b>17,883</b>
Income tax paid		-3,463	-4,015
<b>Net cash flow from operating activities</b>		<b>-27,354</b>	<b>34,976</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment		-	-104
<b>Net cash flow from investing activities</b>		<b>-</b>	<b>-104</b>
<b>Cash flow from financing activities</b>			
Dividends paid		-18,100	-18,200
Repayment of lease liability		-745	-947
<b>Net cash flow from financing activities</b>		<b>-18,845</b>	<b>-19,147</b>
<b>Change in cash flow</b>		<b>-46,199</b>	<b>15,725</b>
<b>Cash and cash equivalents at beginning of reporting period</b>		<b>78,327</b>	<b>52,880</b>
<b>Cash and cash equivalents at end of reporting period</b>		<b>32,128</b>	<b>68,605</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 2021 was prepared in conformity with the IFRS and the interpretations issued by IFRIC, which have been approved by the EU. The applied standards and interpretations are described in Company’s accounting policies for the financial year 2021. The financial statements are available on Company’s website at [www.if.ee](http://www.if.ee).

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 Insurance Holding Ltd (publ) 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	Q1-Q3 2022	Q1-Q3 2021
Premiums written, gross	156,785	128,238
Change in the provision for unearned premiums	-18,918	-9,978
<b>Premiums earned, gross</b>	<b>137,867</b>	<b>118,260</b>
Reinsurance premiums	-3,849	-3,957
Change in the provision for unearned premiums	600	566
<b>Premiums ceded</b>	<b>-3,249</b>	<b>-3,391</b>
<b>TOTAL</b>	<b>134,618</b>	<b>114,869</b>

**Note 3. Investment result**

€000	Q1-Q3 2022	Q1-Q3 2021
<u>Interest income/expense on:</u>		
<b>Available-for-sale financial assets</b>		
Bonds and other interest-bearing securities	2,664	2,238
<b>Loans and receivables</b>		
Cash and cash equivalents	-	1
<b>Lease liabilities</b>	-4	-6
<b>TOTAL</b>	<b>2,660</b>	<b>2,233</b>
<u>Result from the disposal of:</u>		
<b>Available-for-sale financial assets</b>		
Bonds and other interest-bearing securities	165	268
<b>TOTAL</b>	<b>165</b>	<b>268</b>
<u>Gain/loss from the change in the value of:</u>		
<b>Exchange rate changes</b>		
	-47	-56
<b>TOTAL</b>	<b>-47</b>	<b>-56</b>
<b>Investment expenses</b>	<b>-387</b>	<b>-727</b>
<b>TOTAL INVESTMENT RESULT</b>	<b>2,391</b>	<b>1,718</b>
<b>Reconciliation of the fair value reserve of available-for-sale financial assets</b>		
	<b>Q1-Q3 2022</b>	<b>Q1-Q3 2021</b>
<b>Opening balance, available-for-sale financial assets</b>	<b>4,710</b>	<b>7,268</b>
Changes in fair value during the year, recognised in other comprehensive income	-29,808	-324
Realised gain recognised in profit or loss	166	-268
<b>Closing balance, available-for-sale financial assets</b>	<b>-24,932</b>	<b>6,676</b>
Change in the fair value reserve of available-for-sale financial assets during the year	-29,642	-592

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

€000	Q1-Q3 2022	Q1-Q3 2021
<b>Gross</b>		
Claims paid related to the reporting period	-60,984	-51,587
Claims paid related to previous periods	-25,036	-20,422
Amounts recovered from salvage and subrogation	8,416	6,918
Change in the provision for claims outstanding	-9,529	-4,412
Claims handling expenses	-3,886	-3,423
<b>TOTAL</b>	<b>-91,019</b>	<b>-72,926</b>
<b>Reinsurers' share</b>		
Claims paid related to the reporting period	21	14
Claims paid related to previous periods	213	112
Change in the provision for claims outstanding	1,051	219
<b>TOTAL</b>	<b>1,285</b>	<b>345</b>
<b>Net</b>		
Claims paid related to the reporting period	-60,963	-51,573
Claims paid related to previous periods	-24,823	-20,310
Amounts recovered from salvage and subrogation	8,416	6,918
Change in the provision for claims outstanding	-8,478	-4,193
Claims handling expenses	-3,886	-3,423
<b>TOTAL</b>	<b>-89,734</b>	<b>-72,581</b>

**Note 5. Expenses**

€000	Q1-Q3 2022	Q1-Q3 2021
Salaries and remuneration	-16,046	-14,780
Social security costs	-3,415	-3,131
Other personnel expenses	-1,477	-1,070
<b>Total personnel expenses</b>	<b>-20,938</b>	<b>-18,981</b>
Commissions to intermediaries	-8,424	-7,342
Data processing	-1,807	-1,555
Expenses on premises	-1,502	-1,512
Office expenses (incl. communication expenses)	-542	-462
Other operating expenses	-3,341	-2,427
<b>TOTAL</b>	<b>-36,554</b>	<b>-32,279</b>

**Division of costs on the basis of functions:**

Insurance contract acquisition costs	-20,301	-18,085
Administrative expenses	-12,367	-10,771
Claims handling expenses	-3,886	-3,423
<b>TOTAL</b>	<b>-36,554</b>	<b>-32,279</b>

**Note 6. Receivables related to insurance activities**

€000	30 Sept 2022	31 Dec 2021
Receivables related to direct insurance activities, incl.	46,189	35,849
- policyholders	40,088	30,658
- intermediaries	3,463	2,776
- subrogation with significant recoverability	1,999	1,680
- salvages	337	331
- other	302	404
Receivables related to reinsurance	213	291
- incl. from related parties	13	29
Other receivables	2,672	127
<b>TOTAL</b>	<b>49,074</b>	<b>36,267</b>

**Note 7. Financial investments**

€000	30 Sept 2022	31 Dec 2021
<b>Available-for-sale financial assets</b>		
Bonds and other interest-bearing securities		
- listed	298,852	267,599
- unlisted	3,996	8,599
Incl. with a floating interest rate	4,199	8,224
Incl. with a fixed interest rate (0.125 -3.0%; 31.12.2021: 0.125%-3.0%)	298,649	267,974
<b>TOTAL</b>	<b>302,848</b>	<b>276,198</b>
<b>TOTAL FINANCIAL INVESTMENTS</b>	<b>302,848</b>	<b>276,198</b>

**Bonds and other interest-bearing securities by issuers**

€000	30 Sept 2022	31 Dec 2021
Issued by Estonian financial institutions	1,705	3,850
Issued by Estonian companies	1,486	1,522
Issued by foreign governments	2,311	2,571
Issued by foreign financial institutions	145,616	113,150
Issued by foreign companies	151,730	155,105
<b>TOTAL</b>	<b>302,848</b>	<b>276,198</b>

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

	Percentage of fair value	
	30 Sept 2022	31 Dec 2021
AAA	2.0%	2.2%
AA+ until AA-	6.2%	8.7%
A+ until A-	37.7%	15.4%
BBB+ until BBB-	39.1%	50.4%
BB	1.4%	1.8%
Non rated	13.6%	21.5%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

**Bonds and other interest-bearing securities by maturity terms**

€000	30 Sept 2022	31 Dec 2021
Up to 1 year	23,425	20,184
1-2 years	72,944	62,109
2-5 years	165,773	160,957
5-10 years	40,706	32,948
<b>TOTAL</b>	<b>302,848</b>	<b>276,198</b>



**Note 8. Property, plant and equipment**

€000	Right-of-use: Buildings	Other PPE	TOTAL
<b>Net book value as at 31 December 2020</b>	<b>2,768</b>	<b>392</b>	<b>3,160</b>
Acquisition	1,936	60	1,996
Disposal	-	-365	-365
Sales	-	-12	-12
Acquisition cost as at 31 December 2021	7,325	1,262	8,587
-incl. fully depreciated	-	947	947
Depreciation charge for the year	-1,227	-152	-1,379
Depreciation charge of sales and disposals	-	240	240
Accumulated depreciation as at 31 December 2021	-3,848	-1,098	-4,946
<b>Net book value as at 31 December 2021</b>	<b>3,477</b>	<b>164</b>	<b>3,641</b>
Acquisition	23	266	289
Reclassification	-45	-	-45
Write-off	-	-2	-2
Sales	-	-	-
Acquisition cost as at 30 Sept 2022	7,303	1,526	8,829
-incl. fully depreciated	-	952	952
Depreciation charge for the year	-743	-53	-796
Accumulated depreciation as at 30 Sept 2022	-4,591	-1,151	-5,742
<b>Net book value as at 30 September 2022</b>	<b>2,712</b>	<b>375</b>	<b>3,087</b>

**Note 9. Liabilities arising from insurance contracts and reinsurance assets**

€000	30 Sept 2022	31 Dec 2021
<b>Gross</b>		
Provision for incurred and reported claims and claims handling expenses	115,263	107,640
Provision for incurred but not reported claims	29,995	28,089
Provision for unearned premiums	91,805	72,887
<b>TOTAL</b>	<b>237,063</b>	<b>208,616</b>
<b>Reinsurer's share</b>		
Provision for incurred and reported claims and claims handling expenses	5,947	4,889
7Provision for incurred but not reported claims	264	270
Provision for unearned premiums	1,696	1,101
<b>TOTAL</b>	<b>7,907</b>	<b>6,260</b>
<b>Net</b>		
Provision for incurred and reported claims and claims handling expenses	109,316	102,751
Provision for incurred but not reported claims	29,731	27,819
Provision for unearned premiums	90,109	71,786
<b>TOTAL</b>	<b>229,156</b>	<b>202,356</b>

**Note 10. 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 €1,376 thousand in remuneration, including social tax (Q3 2021: €1,084 thousand). During the reporting period, no severance fee was paid to Management Board members (Q3 2021: €0). No remuneration was paid to members of the Supervisory Board.

Insurance contracts with total premiums of €9 thousand were concluded with the management individuals in the financial period (Q3 2021: €6 thousand).

Reinsurance transactions with group companies

The company has concluded reinsurance contracts with If P&C Insurance Ltd (publ).

€000	Calculated reinsurance premiums		Indemnifications and commissions received	
	Q1-Q3 2022	Q1-Q3 2021	Q1-Q3 2022	Q1-Q3 2021
If P&C Insurance Ltd (publ)	2,779	2,264	51	43

Receivables and payables related to the above transactions as at:

€000	30 Sept 2022	31 Dec 2021
<b>Receivables</b>		
If P&C Insurance Ltd (publ)	13	29

€000	30 Sept 2022	31 Dec 2021
<b>Payables</b>		
If P&C Insurance Ltd (publ)	1,667	913

Other related party transactions, transactions with other group companies

€000	Services purchased		Services rendered	
	Q1-Q3 2022	Q1-Q3 2021	Q1-Q3 2022	Q1-Q3 2021
Nordea Group companies	23	21	-	-
Mandatum Life Insurance Baltic SE	-	-	2	8
If P&C Insurance Ltd (publ)	180	9	177	176
Sampo plc	-	436	-	-
If IT Services A/S	415	359	-	-
<b>Total</b>	<b>618</b>	<b>825</b>	<b>179</b>	<b>184</b>

There are no receivables but following payables related to the above transactions as at:

€000	30 Sept 2022	31 Dec 2021
<b>Payables</b>		
If P&C Insurance Ltd (publ)	65	68
If IT Services A/S	27	57
<b>Total</b>	<b>92</b>	<b>125</b>

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If Insurance has earned investment income from the following group companies:

<b>€000</b>	<b>Q1-Q3 2022</b>	<b>Q1-Q3 2022</b>
<b>Investment income/expense</b>		
Nordea Group companies	17	11