



BTA Baltic Insurance Company AAS

PUBLIC QUARTERLY REPORT 3RD QUARTER 2021

This Report is prepared in accordance with the Financial and Capital Market Commission Regulations No. 128 "Regulations on Preparation of Public Quarterly Reports of the Insurers" of 11 August 2020.

The Report includes the summarized information
on the Company's activity over the period
from January 1st until September 30th 2021.

Company information

Name of the Company	BTA Baltic Insurance Company		
Legal status	Insurance Joint Stock Company		
Number, place and date of registration	40103840140, registered in Riga, Latvia on 28 October 2014		
Address	Sporta 11, Riga, Latvia, LV-1013		
Members of the Board and their positions	Wolfgang Stockmeyer – Chairman of the Management Board Oskars Hartmanis – Deputy Chairman of the Management Board Evija Matveja – Member of the Management Board Tadeuš Podvorski – Member of the Management Board		
Members of the Council and their positions	Harald Riener – Chairman of the Council Gabor Lehel – Deputy Chairman of the Council Franz Fuchs – Deputy Chairman of the Council Jan Bogutyn – Member of the Council Artur Borowski – Member of the Council Peter Franz Hoefinger – Member of the Council		
Reporting Period	01.01.2021 – 30.09.2021		
Shareholder structure at the end of reporting period	Shareholder	Number of shares	% of the share capital
	VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe	416 094	100%
	Total:	416 094	100%
Face value of one share	EUR 100.00		
Subscribed share capital	EUR 41 609 400		
Paid-up share capital	EUR 41 609 400		
Foreign branches	Lithuania, Estonia		

Balance Sheet

Item	At the end of the Reporting Period, EUR	At the end of the Previous Reporting Year, EUR
Tangible assets	2 630 108	2 976 883
Investments in land lots and buildings	5 532 265	6 732 720
Intangible assets	3 185 912	3 001 505
Investments in share capital of related companies	964 277	614 277
Investments in share capital of associated companies	-	-
Classified as financial assets at fair value through profit and loss	1 571 579	1 605 507
Classified as financial assets at fair value through other comprehensive income	225 632 392	224 920 050
Classified as financial assets at amortized cost	74 799 332	64 637 073
Accrued income and deferred expenses	11 943 403	11 643 126
Tax assets	1 279 113	221 975
Ceded reinsurance and retrocession contracts	78 388 454	73 413 685
Cash on hand and claims on demand on credit institutions	24 644 406	31 397 288
Total assets	430 571 241	421 164 091
Capital and reserves	66 158 385	71 897 085
Insurance and reinsurance liabilities	310 373 537	289 218 369
Classified as financial liabilities at fair value through profit and loss	-	-
Financial liabilities at amortized cost	48 815 729	54 459 292
Provisions	3 565 532	3 714 956
Tax liabilities	893 068	863 220
Accrued expenses and deferred income	764 990	1 011 168
Total liabilities	363 355 718	349 267 005
Total capital and reserves, and liabilities	430 571 241	421 164 091

Income Statement

Item	For the Reporting Period, EUR	For the Respective Period of the Previous Reporting Year, EUR
Earned premiums	117 501 520	115 498 009
Other technical income, net	229 894	662 115
Incurred claims, net	(82 695 751)	(75 010 035)
Changes in life insurance technical reserves	-	-
Changes in other technical reserves	-	-
Gratuities, net	-	-
Net operating expenses	(26 407 768)	(28 115 111)
Other technical expenses, net	(336 860)	(106 978)
Changes in equalization reserves	-	-
Investment management expenses/income and commission payments	(1 160 780)	(546 119)
Net interest income and dividend income	1 942 647	1 653 349
Net profit/loss from derecognition of the financial assets and financial liabilities not classified at fair value through profit and loss	-	(54 167)
Net profit/loss from the financial assets and financial liabilities classified at fair value through profit and loss	387 572	(2 213)
Revaluation result of foreign currencies	148 469	(268 026)
Profit/loss from derecognition of tangible assets, investments in buildings for ensuring own activities, investments in property and intangible assets	611 021	532 136
Depreciation	(3 032 237)	(2 468 911)
Impairment losses	-	-
Negative goodwill	-	-
Net profit/loss from investments in subsidiaries and participations recognized using equity method	-	-
Profit/loss for the reporting period before profit tax	7 187 727	11 774 050
Profit tax	(693 997)	(1 036 178)
Profit/loss for the reporting period	6 493 730	10 737 872
Other comprehensive income	(2 969 311)	520 030

Gross Written Premiums, Gross Claims paid and Net operating expenses by type of insurance, EUR

	Gross Premiums Written					Gross Claims Paid					Net operating expenses
	Total	for agreements signed		for agreements signed in EU		Total	for agreements signed		for agreements signed in EU		
		in Latvia	incl. agreements signed with private persons	in branches	FOS		in Latvia	incl. agreements signed with private persons	in branches	FOS	
Non-life insurance	162 662 940	58 508 792	16 227 410	104 154 148	-	96 677 372	36 755 778	9 652 016	59 921 593	-	26 407 770
Accident insurance	4 652 877	1 808 578	1 016 862	2 844 299	-	1 888 099	657 473	302 438	1 230 625	-	104 792
Health Insurance	25 648 596	18 661 371	10 003	6 987 225	-	17 015 583	13 311 011	-	3 704 571	-	4 040 250
Motor vehicle insurance (other than railway)	39 797 224	12 303 531	6 488 170	27 493 693	-	26 599 592	8 596 137	4 469 991	18 003 455	-	10 716 705
Railway transport insurance	239 719	48 184	-	191 534	-	(11 661)	(11 661)	-	-	-	39 887
Aircraft insurance	199 707	22 140	(60)	177 567	-	59 393	44 702	-	14 690	-	19 805
Vessel insurance	879 214	497 595	39 764	381 618	-	1 946 201	903 689	9 037	1 042 512	-	82 598
Cargo insurance	930 322	650 572	-	279 750	-	98 757	43 876	-	54 881	-	197 240
Property insurance against fire and natural disaster damages and other risks	22 598 500	10 558 015	3 829 573	12 040 486	-	12 648 181	6 711 632	1 677 908	5 936 550	-	5 541 572
Civil liability insurance of motor vehicle owners, incl. compulsory civil liability insurance of motor vehicle owners	47 835 922	7 469 205	3 710 391	40 366 717	-	32 781 423	5 776 126	3 003 586	27 005 297	-	2 308 193
Civil liability insurance of aircraft owners	248 312	49 756	7 657	198 556	-	16 698	-	-	16 698	-	17 219
Civil liability insurance of vessel owners	187 182	129 422	5 234	57 760	-	16 627	369	369	16 258	-	1 738
General civil liability insurance	7 880 676	1 884 404	406 508	5 996 273	-	1 723 641	305 066	82 368	1 418 575	-	1 459 249
Loan insurance	383 840	383 840	-	-	-	127 169	127 169	-	-	-	15 471
Guarantee insurance	6 472 969	2 701 481	-	3 771 488	-	(20 057)	(54 983)	-	34 926	-	383 810
Insurance of various financial losses	353 080	97 583	70	255 497	-	457 804	104 125	-	353 679	-	78 412
Insurance of legal expenses	11 808	11 808	11 057	-	-	462	462	462	-	-	2 217
Assistance insurance	4 342 992	1 231 307	702 181	3 111 685	-	1 329 460	240 585	105 857	1 088 876	-	1 398 612

Insurer's performance indicators by Type of Insurance

Item	Total in reporting period	Type of Insurance																
		Accident insurance	Health Insurance	Motor vehicle insurance (other than railway)	Railway transport insurance	Aircraft insurance	Vessel insurance	Cargo insurance	Property insurance against fire and natural disaster damages and other risks	Civil liability insurance of motor vehicle owners incl. compulsory civil liability insurance of motor vehicle	Civil liability insurance of aircraft owners	Civil liability insurance of vessel owners	General civil liability insurance	Loan insurance	Guarantee insurance	Insurance of various financial losses	Insurance of legal expenses	Assistance insurance
Loss ratio (%)	70.38	50.81	80.82	76.56	(1.93)	167.38	46.38	33.05	72.26	83.08	82.97	133.98	11.18	25.16	(22.63)	158.8	4.59	33.69
Expense ratio (%)	25.34	9.89	20.68	30.51	25.03	20.04	47.18	28.29	32.2	14.83	16.15	6.67	28.68	17.99	16.98	33.33	19.79	37.9
Combined ratio (%)	95.72	60.7	101.49	107.07	23.1	187.42	93.56	61.34	104.47	97.91	99.12	140.65	39.86	43.16	(5.65)	192.13	24.38	71.59



Insurer's Own Funds and Solvency Capital Requirement calculation, EUR

No.	Item	In reporting period
1	Basic own funds before deduction	71 117 545
2	Deductions for participations in financial and credit institutions	-
3	Total basic own funds after deductions (1-2.)	71 117 545
4	Total ancillary own funds	-
5	Available and eligible own funds	71 117 545
5.1.	Total available own funds to meet the Solvency Capital requirements	71 117 545
5.2.	Total available own funds to meet the Minimum Capital requirements	71 117 545
5.3.	Total eligible own funds to meet the Solvency Capital requirements	71 117 545
5.4.	Total eligible own funds to meet the Minimum Capital requirements	68 499 537
6	Solvency Capital requirements	52 878 806
7	Minimum Capital requirements	21 909 959
8	Ratio of Eligible own funds to Solvency Capital requirements	134.49%
9	Ratio of Eligible own funds to Minimum Capital requirements	313%



Key Cooperation Partners

Reinsurers

Reinsurer	Reinsurer's Rating	Rating Agency	Place (Country) of Registration of the Reinsurer
VIG RE ZAJISTOVNA, A.S.	A+	Standard & Poor's	Czech Republic
VIENNA INSURANCE GROUP AG	A+	Standard & Poor's	Austria
SWISS RE EUROPE S.A.	AA-	Standard & Poor's	Luxembourg
R+V VERSICHERUNG AG	A+	Standard & Poor's	Germany
SCOR SE	AA-	Standard & Poor's	France
HANNOVER RÜCK SE	AA-	Standard & Poor's	Germany
POLISH RE	A-	A.M.Best	Poland
ATRADIUS RE	A	A.M.Best	Ireland

Insurance and Reinsurance Brokerage Companies

Brokerage Company	Service	Place (Country) of Registration
ATTOLLO BROKERS SIA	Insurance mediation	Latvia
IIZI KINDLUSTUSMAAKLER	Insurance mediation	Estonia
APDROŠINĀŠANAS UN FINANSU BROKERS SIA	Insurance mediation	Latvia
R&D APDROŠINĀŠANAS BROKERS SIA	Insurance mediation	Latvia
EURORISK LATVIA SIA	Insurance mediation	Latvija
MARSH SIA	Insurance mediation	Latvia
AON BALTIC LATVIJAS FILIĀLE UADBB	Insurance mediation	Latvia
BROKERU AĢENTŪRA-ROOT SIA	Insurance mediation	Latvia
Amber Broker Baltic SIA	Insurance mediation	Latvia
IIZI BROKERS SIA	Insurance mediation	Latvia
SKANDI APDROŠINĀŠANAS BROKERI SIA	Insurance mediation	Latvia
AON BALTIC UADBB	Insurance mediation	Lithuania
KINDLUSTUSEST KINDLUSTUSMAAKLER OÜ	Insurance mediation	Estonia
AON BALTIC EESTI FILIAAL UADBB	Insurance mediation	Estonia
CHB KINDLUSTUSMAAKLER OÜ	Insurance mediation	Estonia
SMART KINDLUSTUSMAAKLER AS	Insurance mediation	Estonia
MARSH KINDLUSTUSMAAKLER AS	Insurance mediation	Estonia
GRECO LIETUVA, UADBB	Insurance mediation	Lithuania
IVP PARTNERS UADBB	Insurance mediation	Lithuania
KOMINSUR KINDLUSTUSMAAKLER OSAÜHING	Insurance mediation	Estonia
AON	Reinsurance mediation	Germany
Guy Carpenter	Reinsurance mediation	Germany



Operational Strategy and Goals for 2021

In the third quarter of this year, the insurance sector trends were dictated by the situation regarding Covid-19. Since Covid-19 morbidity increased, many companies in the Baltics continued working remotely or temporarily shut down their business due to Covid-19 restrictions. In turn, BTA has expanded its activities, offering customers new services.

With the introduction of the innovative tool DriveX, customers were actively addressed about the use of this opportunity, which is being evaluated by more and more BTA car policy holders every month. Also, at the end of the quarter, BTA started to introduce customers to a new option – subscription to MTPL and CASCO policies. Also, several significant improvements have been made to internal systems and processes.

BTA included a new and market-unique service in health insurance coverage – eMed remote medical visits. BTA clients now can easily schedule remote medical visit with a doctor. This kind of service is especially useful in the time of Covid-19 restrictions and social distancing.

In order to improve BTA employer brand and help attract new professionals, in this quarter BTA presented new Employer branding strategy. This strategy defines main BTA drivers, employer value proposition and visual identity.

In 2021, the Company continues to focus on the development of previously launched projects, introducing new and high-level digital projects.

In order to assess possible Covid-19 impact scenarios and to ascertain the ability to provide sufficient level of liquidity and solvency, the Company constantly monitors the development of the insurance market, the dynamics of gross written premiums and product profitability, as well as continues to perform various stress tests.

In 2021, the Company continues to review internal processes and makes greater improvements in the field of human resource management in order to provide all employees in the Baltics with an opportunity to work in a modern work mode, therefore further improving employee satisfaction rates.

The Company has a positive take on the future prospects of the following months. Focusing on a high-level customer service and product quality, the Company will develop new projects also in 2022, as a result of which further excellent service will be provided both remotely and in person. Taking care of security measures in the process of on-site customer service, BTA and its employees will continue to follow the restrictions set in the country and recommendations for improving the epidemiological situation.

The Company also plans to further strengthen its insurance portfolio by diversifying and increasing the share of voluntary types of insurance, especially Property, CASCO and Private accident insurance. It is also important for the Company to make quick and high-quality decisions in the claims' settlement process, and this furthermore contributes to customer satisfaction when their needs are met.



Departments and Branches of the Company

Customer service locations that offer BTA insurance services in Latvia:

<https://www.bta.lv/en/contacts/customer-service-centers>

Foreign branches:

Estonia - <https://www.bta.ee/>

Lithuania - <https://www.bta.lt/>