



BTA Baltic Insurance Company AAS

PUBLIC QUARTERLY REPORT 1ST QUARTER 2022

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 March 31st 2022

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	01.01.2022 – 31.03.2022		
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	2 646 525	2 679 148
Investments in land lots and buildings	5 314 128	5 686 866
Intangible assets	4 218 678	4 198 483
Investments in share capital of related companies	17 341 180	17 341 180
Investments in share capital of associated companies	-	-
Classified as financial assets at fair value through profit and loss	1 354 145	1 360 409
Classified as financial assets at fair value through other comprehensive income	212 087 007	223 513 482
Classified as financial assets at amortized cost	84 920 506	76 067 815
Accrued income and deferred expenses	14 407 639	13 421 239
Tax assets	249 989	249 989
Ceded reinsurance and retrocession contracts	79 006 543	79 903 691
Cash on hand and claims on demand on credit institutions	7 367 691	9 831 096
Total assets	428 914 030	434 253 398
Capital and reserves	55 377 868	65 767 877
Insurance and reinsurance liabilities	317 243 784	305 886 755
Classified as financial liabilities at fair value through profit and loss	-	-
Financial liabilities at amortized cost	49 237 973	54 075 957
Provisions	3 066 914	3 542 370
Tax liabilities	531 994	798 144
Accrued expenses and deferred income	3 455 498	4 182 295
Total liabilities	373 536 162	368 485 521
Total capital and reserves, and liabilities	428 914 030	434 253 398

Income Statement

Item	For the Reporting Period, EUR	For the Respective Period of the Previous Reporting Year, EUR
Earned premiums	42 640 089	37 702 046
Other technical income, net	114 402	99 403
Incurred claims, net	(30 120 585)	(25 647 341)
Changes in life insurance technical reserves	-	-
Changes in other technical reserves	-	-
Gratuities, net	-	-
Net operating expenses	(10 947 935)	(9 227 655)
Other technical expenses, net	(170 643)	(98 900)
Changes in equalization reserves	-	-
Investment management expenses/income and commission payments	(155 883)	(184 419)
Net interest income and dividend income	578 436	511 305
Net profit/loss from derecognition of the financial assets and financial liabilities not classified at fair value through profit and loss	-	-
Net profit/loss from the financial assets and financial liabilities classified at fair value through profit and loss	137 295	17 720
Revaluation result of foreign currencies	(11 388)	111 517
Profit/loss from derecognition of tangible assets, investments in buildings for ensuring own activities, investments in property and intangible assets	(51 717)	184 190
Depreciation	(1 269 166)	(964 720)
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	742 905	2 503 146
Profit tax	(2 967)	(242 415)
Profit/loss for the reporting period	739 938	2 260 731
Other comprehensive income	(11 126 811)	(1 574 347)

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	62 883 259	22 358 720	5 940 062	40 524 539	-	37 323 755	12 340 069	3 825 177	24 983 685	-	10 947 935
Accident insurance	2 111 695	1 005 236	603 175	1 106 459	-	754 335	280 933	141 090	485 718	-	186 689
Health Insurance	14 919 227	8 534 578	6 144	6 384 649	-	7 300 283	4 489 471	-	2 819 478	-	1 188 909
Motor vehicle insurance (other than railway)	13 715 730	4 491 590	2 148 846	9 224 140	-	10 349 659	3 205 801	1 797 877	7 136 165	-	3 049 397
Railway transport insurance	179 557	24 274	-	155 283	-	1 866	1 866	-	-	-	13 901
Aircraft insurance	25 110	4 084	100	21 026	-	112 258	828	-	111 430	-	14 527
Vessel insurance	237 147	193 249	3 152	43 898	-	248 580	241 282	2 368	6 960	-	30 703
Cargo insurance	350 423	275 887	-	74 536	-	65 915	53 773	-	12 989	-	116 301
Property insurance against fire and natural disaster damages and other risks	7 655 390	3 140 129	1 297 137	4 515 261	-	4 120 962	1 705 467	695 710	2 438 192	-	2 522 951
Civil liability insurance of motor vehicle owners, incl. compulsory civil liability insurance of motor vehicle owners	15 741 378	2 669 275	1 408 763	13 072 103	-	12 327 215	2 044 922	1 048 014	10 239 681	-	2 127 220
Civil liability insurance of aircraft owners	34 190	16 332	1 130	17 858	-	538	-	-	636	-	46 732
Civil liability insurance of vessel owners	50 888	24 237	582	26 651	-	387	-	-	538	-	8 617
General civil liability insurance	3 577 708	691 124	124 119	2 886 584	-	961 521	109 926	35 015	853 935	-	977 828
Loan insurance	40 677	40 677	-	-	-	15 907	15 907	-	-	-	1 901
Guarantee insurance	2 115 651	658 017	-	1 457 634	-	(14 844)	(90 885)	-	73 185	-	(112 261)
Insurance of various financial losses	245 856	55 395	32	190 461	-	8 266	5 665	-	2 147	-	24 635
Insurance of legal expenses	4 321	4 321	4 007	-	-	-	-	-	-	-	81
Assistance insurance	1 878 311	530 315	342 875	1 347 996	-	1 070 907	275 113	105 103	802 631	-	749 804

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 (%)	70.64	69.48	91.37	86.86	(410.99)	43.70	177.78	44.64	43.25	78.15	1.77	(78.48)	16.81	12.83	3.20	9.07	(0.48)	57.02
Expense ratio (%)	29.05	25.11	19.89	30.35	21.48	21.64	57.82	27.77	31.35	41.04	20.41	15.18	27.73	14.80	(23.21)	30.63	20.99	34.26
Combined ratio (%)	99.69	94.59	111.26	117.21	(389.51)	65.33	235.60	72.41	74.60	119.19	22.17	(63.30)	44.54	27.63	(20.01)	39.70	20.50	91.28



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

No.	Item	In reporting period
1	Basic own funds before deduction	61 512 030
2	Deductions for participations in financial and credit institutions	-
3	Total basic own funds after deductions (1.-2.)	61 512 030
4	Total ancillary own funds	-
5	Available and eligible own funds	61 512 030
5.1.	Total available own funds to meet the Solvency Capital requirements	61 512 030
5.2.	Total available own funds to meet the Minimum Capital requirements	61 512 030
5.3.	Total eligible own funds to meet the Solvency Capital requirements	61 512 030
5.4.	Total eligible own funds to meet the Minimum Capital requirements	59 088 946
6	Solvency Capital requirements	54 717 285
7	Minimum Capital requirements	22 884 579
8	Ratio of Eligible own funds to Solvency Capital requirements	112.42%
9	Ratio of Eligible own funds to Minimum Capital requirements	258.20%



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 2022

It was already evident in the first quarter of 2022 that the war in the Ukraine affected several industries and inflation situation in the Baltics. BTA focuses on customers in the Baltics, therefore, we observe only a limited impact in regard to the restrictions related to the situation between Russia and the Ukraine. BTA will undertake flexible measures to adapt to inflation and continue to improve both internal and external processes. These are the key conditions for even higher long-term achievements.

We are closely following the situation in the Ukraine and the information in local and international mass media, as well as deep in our hearts we are together with all the residents of the Ukraine, we feel deeply sorry for those affected by the war the most. Moreover, we ensure direct and practical help to the colleagues, whose family members reside in the Ukraine and who currently are in need of help.

During the first quarter of the year – immediately after having received the news about the beginning of the war in the Ukraine, Vienna Insurance Group (VIG) developed a team to coordinate help to colleagues in Ukrainian companies. The Board of VIG developed a special charitable fundraising VIG Family Fund with the basic sum of 5 million euros. The goal of the fundraising is to provide all the companies and employees of the group with an opportunity of targeted support to our Ukrainian colleagues and their families. All VIG companies in the Baltics – BTA Baltic Insurance Company (BTA), Compensa Vienna Insurance Group and Compensa Life Vienna Insurance Group – stand together with the residents of the Ukraine at this dark hour and altogether they donated 250 thousand euros to the fund.

In 2022 as well BTA continues investing in innovations and digital advancement, therefore, in spring the newest BTA eMed addition was published – eMed Travel. Upon the use of the service, BTA travel insurance customers are able to receive a doctor's consultation while traveling via a video call or a phone call. Key benefits of the service include an opportunity to communicate with a doctor in language a customer understands, opportunity to purchase medicine prescribed by a specialist or to get recommendations how to purchase the medicine, as well as our customers will not need to visit a local medical institution abroad. This upgrade will considerably facilitate the daily life of our customers, if they fall ill while travelling.

In 2022, the Company continues reviewing internal processes and working on several directions of strategic importance, some of the most important are:

- Customer journey;
- Customer segmentation;
- Unified office concept in Baltics;
- Sustainability strategy;
- Hybrid work guidelines.

All these projects will help to increase its efficiency, create innovations and provide all employees in the Baltics with an opportunity to work in a modern operating mode, therefore, improving the wellbeing of employees even more.

In 2022 as well the Company continues developing new projects, in the result of which excellent customer service will be provided both in person and remotely. To evaluate possible scenarios of the



impact of the war in the Ukraine on the situation on financial markets and to verify our ability to ensure sufficient liquidity and solvency levels, BTA closely monitors development of insurance markets, gross written premium dynamics and product profitability, as well as continues performing various stress tests. Since interest rates on the global financial markets increased dramatically, BTA initiated the process of strengthening its solvency position and targets at an increase of its eligible own funds in the range of 15 million EUR during the second quarter 2022. BTA has strong financials and robust financial position. The company is well equipped to face and successfully overcome any challenges that the macroeconomic situation and the market may throw our way. Also, BTA customers can feel safe knowing that BTA has a very strong shareholder with substantial financial resources that can lend a hand to BTA whenever financial support is needed.

Company continues strengthening its insurance portfolio by diversifying and increasing the ratio of voluntary insurance types, in particular Property, CASCO and Personal accident insurance types. Quick and qualitative decision-making within insurance claims handling process is important for the Company and that improves meeting customer needs and satisfaction rates. Moreover, Company will continue develop various sustainability projects such as the development of Sustainability Strategy, the creation of the BTA Sustainability Forest, the maintenance of the "Green office" certificate, the maintenance of the paperless office concept and other long-term sustainable innovations.

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/>