



BTA Baltic Insurance Company AAS

PUBLIC QUARTERLY REPORT 2ND 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 June 30th 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		
Reporting Period	01.01.2022 – 30.06.2022		
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	2 256 939	2 679 148
Investments in land lots and buildings	4 832 250	5 686 866
Intangible assets	5 190 124	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	-	1 360 409
Classified as financial assets at fair value through other comprehensive income	198 067 296	223 513 482
Classified as financial assets at amortized cost	91 760 289	76 067 815
Accrued income and deferred expenses	14 870 387	13 421 239
Tax assets	249 989	249 989
Ceded reinsurance and retrocession contracts	75 401 235	79 903 691
Cash on hand and claims on demand on credit institutions	34 438 138	9 831 096
Total assets	444 407 827	434 253 398
Capital and reserves	49 688 206	65 767 877
Insurance and reinsurance liabilities	321 961 429	305 886 755
Classified as financial liabilities at fair value through profit and loss	-	-
Financial liabilities at amortized cost	65 592 507	54 075 957
Provisions	3 379 142	3 542 370
Tax liabilities	205 664	798 144
Accrued expenses and deferred income	3 580 879	4 182 295
Total liabilities	394 719 621	368 485 521
Total capital and reserves, and liabilities	444 407 827	434 253 398

Income Statement

Item	For the Reporting Period, EUR	For the Respective Period of the Previous Reporting Year, EUR
Earned premiums	88 454 350	76 427 745
Other technical income, net	703 974	156 566
Incurred claims, net	(60 878 992)	(52 924 909)
Changes in life insurance technical reserves	-	-
Changes in other technical reserves	-	-
Gratuities, net	-	-
Net operating expenses	(23 276 318)	(18 369 054)
Other technical expenses, net	(120 402)	(136 912)
Changes in equalization reserves	-	-
Investment management expenses/income and commission payments	(424 428)	(402 853)
Net interest income and dividend income	1 474 621	1 114 412
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	149 842	28 717
Revaluation result of foreign currencies	32 173	135 554
Profit/loss from derecognition of tangible assets, investments in buildings for ensuring own activities, investments in property and intangible assets	246 647	421 175
Depreciation	(2 036 649)	(1 960 009)
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	4 324 818	4 490 432
Profit tax	(61 464)	(455 882)
Profit/loss for the reporting period	4 263 354	4 034 550
Other comprehensive income	(20 391 203)	(1 177 231)

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	132 336 365	45 772 966	13 312 347	86 563 400	-	80 194 969	28 287 893	7 919 301	51 907 075	-	23 276 319
Accident insurance	3 571 244	1 428 722	832 067	2 142 522	-	1 621 882	532 595	266 298	1 089 287	-	324 602
Health Insurance	24 370 324	14 615 087	8 273	9 755 237	-	15 707 116	9 149 058	-	6 558 057	-	2 863 393
Motor vehicle insurance (other than railway)	31 508 941	9 960 912	4 901 951	21 548 029	-	21 204 021	6 774 853	3 726 169	14 429 168	-	6 856 553
Railway transport insurance	217 334	53 272	-	164 062	-	9 607	3 213	-	6 394	-	29 662
Aircraft insurance	121 371	7 852	100	113 519	-	116 362	1 629	-	114 733	-	25 141
Vessel insurance	822 354	504 309	19 929	318 045	-	556 177	537 936	-	18 241	-	59 282
Cargo insurance	581 565	436 828	-	144 737	-	88 970	64 187	-	24 783	-	172 844
Property insurance against fire and natural disaster damages and other risks	17 615 825	7 946 613	2 960 844	9 669 212	-	11 875 245	6 296 116	1 385 145	5 579 129	-	5 100 925
Civil liability insurance of motor vehicle owners, incl. compulsory civil liability insurance of motor vehicle owners	36 601 643	6 606 615	3 529 606	29 995 029	-	25 276 580	4 367 688	2 271 198	20 908 892	-	4 234 031
Civil liability insurance of aircraft owners	161 753	31 526	4 932	130 227	-	1 293	-	-	1 293	-	29 012
Civil liability insurance of vessel owners	155 759	74 355	3 093	81 404	-	6 898	5 700	5 700	1 198	-	7 747
General civil liability insurance	6 833 359	1 230 177	291 235	5 603 182	-	1 515 753	201 698	62 526	1 314 055	-	1 798 715
Loan insurance	224 887	224 887	-	-	-	37 916	37 916	-	-	-	7 717
Guarantee insurance	4 738 043	1 391 454	-	3 346 589	-	42 390	(199 583)	-	241 973	-	128 232
Insurance of various financial losses	477 173	84 412	289	392 761	-	221 157	9 225	-	211 932	-	56 310
Insurance of legal expenses	8 727	8 727	7 985	-	-	-	-	-	-	-	235
Assistance insurance	4 326 063	1 167 218	752 043	3 158 845	-	1 913 602	505 662	202 265	1 407 940	-	1 581 918

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 (%)	68.83	68.79	93.21	82.06	(198.71)	39.25	178.09	28.78	52.49	73.38	58.70	(12.67)	17.15	63.19	(31.84)	(2.88)	0.69	47.03
Expense ratio (%)	28.66	26.89	17.95	26.63	24.90	36.58	36.01	36.25	38.27	30.06	42.35	29.32	43.49	12.94	10.86	24.45	3.26	40.95
Combined ratio (%)	97.49	95.68	111.15	108.69	(173.81)	75.84	214.11	65.02	90.75	103.44	101.05	16.65	60.65	76.13	(20.98)	21.56	3.95	87.98



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

No.	Item	In reporting period
1	Basic own funds before deduction	69 140 978
2	Deductions for participations in financial and credit institutions	-
3	Total basic own funds after deductions (1.-2.)	69 140 978
4	Total ancillary own funds	-
5	Available and eligible own funds	69 140 978
5.1.	Total available own funds to meet the Solvency Capital requirements	69 140 978
5.2.	Total available own funds to meet the Minimum Capital requirements	69 140 978
5.3.	Total eligible own funds to meet the Solvency Capital requirements	69 140 978
5.4.	Total eligible own funds to meet the Minimum Capital requirements	51 829 163
6	Solvency Capital requirements	58 875 689
7	Minimum Capital requirements	23 440 926
8	Ratio of Eligible own funds to Solvency Capital requirements	117.44%
9	Ratio of Eligible own funds to Minimum Capital requirements	221.11%



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. In addition, fast rising interest rates and a price inflation, which at the moment reaches in the Baltics the highest level in all European Union, create a new economic environment. BTA had and 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.


In 2022 BTA continues investing in innovations, digital advancement and sustainability therefore, in spring the newest BTA eMed addition was published – eMed Travel. One of the main focus areas for BTA is sustainability, that is why during all year 2022 company continues to actively work in sustainability area by creating sustainability strategy and by developing innovative sustainability projects. For instance, already for several seasons BTA continues working with BTA Velomaster project. BTA Velomaster is a socially responsible and innovative project – it is a unique track, intended to teach about safe driving by means of various elements and bicycle games imitating city environment. It presents an innovative opportunity to teach numerous children and teenagers in a joyful way in order to prepare them for the actual city traffic. There are both the most frequently encountered road signs and asphalt markings and bicycle obstacles typical for city environment available on the track – potholes, stairs, rails and change of pavement. This year together with partner “Velosolutions” BTA continues to develop the project and new tracks in many cities in Baltics. In Estonia two new tracks have been opened and activity in the construction of new tracks is also taking place in Lithuania.

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. On the other hand, from the perspective of customers, special efforts are being made to improve the customer experience and customer segmentation, which will help to provide even more accurate offers that meet customer expectations.

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. BTA will continue to monitor inflation rate and its impact on insurance portfolio in order to continue to ensure the fulfilment of customer obligations in the future. 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.



BTA is taking care of its employees' and their families' well-being, that is why once per year company organizes BTA Children's Day, offer flexible working possibilities and other bonuses. At the beginning of this summer, BTA's contribution to promoting the well-being of employees was well received and the company has obtained the status of "Family-friendly workplace". BTA is proud of this achievement and will continue to work in order to maintain the status.

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/>