



BTA Baltic Insurance Company AAS

PUBLIC QUARTERLY REPORT 1ST QUARTER 2020

This Report is prepared in accordance with the Financial and Capital Market Commission Regulations No. 147 "Regulations on Preparation of Public Quarterly Reports of the Insurers" of 31 August 2016.

The Report includes the summarized information on the Company's activity over the period **from January 1st until March 31st 2020.**

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 | Peter Franz Hoefinger – Chairman of the Council Franz Fuchs – Deputy Chairman of the Council Elisabeth Stadler – Deputy Chairman of the Council Jan Bogutyn – Member of the Council Artur Borowinski – Member of the Council | | | | | | | | | | | | |
| Reporting Period | 01.01.2020 – 31.03.2020 | | | | | | | | | | | | |
| Shareholder structure at the end of reporting period | <table><thead><tr><th>Shareholder</th><th>Number of shares</th><th>% of the share capital</th></tr></thead><tbody><tr><td>VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe</td><td>377 920</td><td>90.83%</td></tr><tr><td>Balcia Insurance SE</td><td>38 174</td><td>9.17%</td></tr><tr><td>Total:</td><td>416 094</td><td>100%</td></tr></tbody></table> | Shareholder | Number of shares | % of the share capital | VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe | 377 920 | 90.83% | Balcia Insurance SE | 38 174 | 9.17% | Total: | 416 094 | 100% |
| Shareholder | Number of shares | % of the share capital | | | | | | | | | | | |
| VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe | 377 920 | 90.83% | | | | | | | | | | | |
| Balcia Insurance SE | 38 174 | 9.17% | | | | | | | | | | | |
| 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 | 2 205 480 | 2 548 316 |
| Investments in land lots and buildings | 7 709 098 | 8 152 593 |
| Intangible assets | 2 508 782 | 1 538 026 |
| Investments in share capital of related companies | 505 877 | 505 877 |
| Investments in share capital of associated companies | - | - |
| Classified as financial assets at fair value through profit and loss | 1 753 710 | 1 758 043 |
| Classified as financial assets at fair value through other comprehensive income | 212 245 750 | 208 278 316 |
| Classified as financial assets at amortized cost | 63 385 989 | 62 768 081 |
| Accrued income and deferred expenses | 11 308 906 | 11 671 578 |
| Tax assets | 249 138 | 309 952 |
| Ceded reinsurance and retrocession contracts | 70 078 272 | 70 575 027 |
| Cash on hand and claims on demand on credit institutions | 20 419 359 | 26 825 080 |
| Total assets | 392 370 361 | 394 930 889 |
| Capital and reserves | 62 746 842 | 65 536 005 |
| Insurance and reinsurance liabilities | 285 533 803 | 280 781 705 |
| Classified as financial liabilities at fair value through profit and loss | - | - |
| Financial liabilities at amortized cost | 37 297 249 | 42 529 589 |
| Provisions | 3 101 609 | 2 961 932 |
| Tax liabilities | 374 848 | 748 805 |
| Accrued expenses and deferred income | 3 316 010 | 2 372 853 |
| Total liabilities | 329 623 519 | 329 394 884 |
| Total capital and reserves, and liabilities | 392 370 361 | 394 930 889 |

Income Statement

| Item | For the Reporting Period, EUR | For the Respective Period of the Previous Reporting Year, EUR |
|--|----------------------------------|---|
| Earned premiums | 39 215 362 | 37 945 366 |
| Other technical income, net | 124 393 | 105 477 |
| Incurred claims, net | (25 148 541) | (26 871 858) |
| Changes in life insurance technical reserves | - | - |
| Changes in other technical reserves | - | - |
| Gratuities, net | - | - |
| Net operating expenses | (8 906 627) | (9 751 896) |
| Other technical expenses, net | (36 120) | (78 772) |
| Changes in equalization reserves | - | - |
| Investment management expenses/income and commission payments | (191 501) | (179 657) |
| Net interest income and dividend income | 574 350 | 448 376 |
| Net profit/loss from derecognition of the financial assets and financial liabilities not classified at fair value through profit and loss | (65 697) | (300) |
| Net profit/loss from the financial assets and financial liabilities classified at fair value through profit and loss | (3 067) | (3 020) |
| Revaluation result of foreign currencies | 152 251 | 139 571 |
| Profit/loss from derecognition of tangible assets, investments in buildings for ensuring own activities, investments in property and intangible assets | (25 126) | 196 077 |
| Depreciation | (781 830) | (330 549) |
| 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 | 4 907 847 | 1 618 815 |
| Profit tax | (234 752) | (1 160) |
| Profit/loss for the reporting period | 4 673 095 | 1 617 655 |
| Other comprehensive income | (4 962 257) | 4 215 327 |

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 in Latvia | | Total | for agreements signed in Latvia | | |
| | | incl. agreements signed with private persons | | | incl. agreements signed with private persons | | |
| Non-life insurance | 55 853 442 | 23 436 829 | 4 938 020 | 34 444 085 | 12 222 565 | 2 885 952 | 9 688 457 |
| Accident insurance | 1 692 225 | 849 666 | 487 730 | 488 305 | 178 823 | 88 628 | 26 360 |
| Health Insurance | 11 615 145 | 9 811 680 | 3 565 | 5 522 181 | 4 745 517 | 4 710 | 1 182 048 |
| Motor vehicle insurance (other than railway) | 13 272 415 | 4 448 575 | 1 897 862 | 7 694 372 | 2 619 965 | 1 121 802 | 3 517 275 |
| Railway transport insurance | 119 110 | 7 555 | 0 | 1 006 119 | 5 118 | 0 | 12 852 |
| Aircraft insurance | 30 523 | (128) | 0 | 229 | 0 | 0 | 3 821 |
| Vessel insurance | 607 959 | 456 682 | 1 530 | 1 018 066 | 876 545 | 0 | (89 938) |
| Cargo insurance | 289 061 | 216 156 | 0 | 18 246 | 20 870 | 0 | 55 406 |
| Property insurance against fire and natural disaster damages and other risks | 5 487 432 | 2 315 002 | 797 791 | 2 863 942 | 953 154 | 436 882 | 1 554 049 |
| Civil liability insurance of motor vehicle owners, incl. compulsory civil liability insurance of motor vehicle owners | 16 010 207 | 2 806 539 | 1 342 890 | 13 011 928 | 2 735 624 | 1 115 009 | 1 920 134 |
| Civil liability insurance of aircraft owners | 18 520 | 4 417 | 120 | 0 | 0 | 0 | 4 557 |
| Civil liability insurance of vessel owners | 65 897 | 29 652 | 171 | 30 602 | 0 | 0 | (3 588) |
| General civil liability insurance | 2 079 957 | 557 543 | 90 489 | 387 031 | 70 228 | 12 650 | 470 904 |
| Loan insurance | 207 547 | 207 547 | 0 | 56 275 | 56 275 | 0 | 3 392 |
| Guarantee insurance | 2 522 816 | 1 194 649 | 0 | 1 454 926 | (314 052) | 0 | 212 898 |
| Insurance of various financial losses | 125 357 | 45 712 | 115 | 24 959 | 24 959 | 0 | 21 298 |
| Insurance of legal expenses | 3 556 | 3 556 | 3 316 | 16 | 16 | 0 | 5 224 |
| Assistance insurance | 1 705 715 | 482 026 | 312 441 | 866 888 | 249 523 | 106 271 | 791 765 |

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 | 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 | Compulsory civil liability insurance of motor vehicle owners |
| Loss ratio (%) | 64.13 | 49.07 | 80.92 | 57.33 | 30.50 | 1.17 | (23.59) | 23.80 | 44.43 | 83.03 | (0.01) | (29.26) | 10.88 | 39.55 | 157.26 | (72.68) | (27.00) | 50.93 | 68.19 |
| Expense ratio (%) | 24.80 | 4.56 | 17.61 | 27.40 | 16.90 | 19.51 | (121.98) | 27.17 | 28.45 | 19.36 | 25.61 | (119.78) | 26.81 | 11.18 | 20.77 | 32.68 | 129.31 | 47.37 | 36.56 |
| Combined ratio (%) | 88.93 | 53.63 | 98.53 | 84.73 | 47.40 | 20.68 | (145.57) | 50.97 | 72.88 | 102.39 | 25.60 | (149.04) | 37.69 | 50.73 | 178.03 | (40.00) | 102.31 | 98.30 | 104.75 |



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

| No. | Item | In reporting period |
|------|---|---------------------|
| 1 | Basic own funds before deduction | 61 965 711 |
| 2 | Deductions for participations in financial and credit institutions | - |
| 3 | Total basic own funds after deductions (1-2.) | 61 965 711 |
| 4 | Total ancillary own funds | - |
| 5 | Available and eligible own funds | 61 965 711 |
| 5.1. | Total available own funds to meet the Solvency Capital requirements | 61 965 711 |
| 5.2. | Total available own funds to meet the Minimum Capital requirements | 61 965 711 |
| 5.3. | Total eligible own funds to meet the Solvency Capital requirements | 61 965 711 |
| 5.4. | Total eligible own funds to meet the Minimum Capital requirements | 59 261 683 |
| 6 | Solvency Capital requirements | 47 733 020 |
| 7 | Minimum Capital requirements | 21 479 859 |
| 8 | Ratio of Eligible own funds to Solvency Capital requirements | 129.82% |
| 9 | Ratio of Eligible own funds to Minimum Capital requirements | 276% |



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 | AA- | 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 |
| SAGAUTA, UADBB | Insurance mediation | Lithuania |
| IIZI KINDLUSTUSMAAKLER AKTSIASELTS AS | Insurance mediation | Estonia |
| APDROŠINĀŠANAS UN FINANSU BROKERS SIA | Insurance mediation | Latvia |
| R&D APDROŠINĀŠANAS BROKERS SIA | Insurance mediation | Latvia |
| LEGATOR, UADBB | Insurance mediation | Lithuania |
| RIZIKOS CESIJA, UADBB | Insurance mediation | Lithuania |
| SOCIALINES GARANTIJOS, UADBB | Insurance mediation | Lithuania |
| BROKERU AĢENTŪRA-ROOT SIA | Insurance mediation | Latvia |
| DRAUDIMO BITES, UADBB | Insurance mediation | Lithuania |
| INSURANCE BROKERS GROUP, UADBB | Insurance mediation | Lithuania |
| PERLO DRAUDIMO BROKERIS, UADBB | Insurance mediation | Lithuania |
| DRAUDIMO BROKERIU ALJANSAS, UADBB | Insurance mediation | Lithuania |
| ODINEJA, UAB | Insurance mediation | Lithuania |
| EURORISK LATVIA SIA | Insurance mediation | Latvia |
| FT BROKER, UADBB | Insurance mediation | Lithuania |
| MARINE INSURANCE SERVICES SIA | Insurance mediation | Latvia |
| AON BALTIC LATVIJAS FILIĀLE UADBB | Insurance mediation | Latvia |
| INVESTICIJU BROKERIS, UADBB | Insurance mediation | Lithuania |
| MARSH SIA | Insurance mediation | Latvia |
| AON Benfield | Reinsurance mediation | Germany |
| Guy Carpenter | Reinsurance mediation | Germany |



2020 operational strategy and goals

Positive perspectives and achievements within the Company insurance portfolio marked the beginning of 2020, which promoted the total increase of operations throughout the Baltics. However, due to the worldwide events of the 1st quarter of 2020 – rapid spread of Covid-19 illness caused by the coronavirus and the restrictive measures caused thereby appeared to slow the operations down.

Company continues to actively implement its corporate strategy, focusing on innovations and humans resource development. Company strives to become the most recognizable insurer for its customers and cooperation partners.

In the beginning of the year, Company developed Corporate social innovations strategy for the upcoming three years to define the three priority axis – health, social development and art. New, innovative activities of great value to the company and its employees are planned within the strategy implementation process.

Company realizes the importance of quick and high-quality decision-making to customers, especially within insurance claims handing process. Company ensures improvement of professional knowledge and skills of its employees, as well as regular analysis and advancement of insurance products upon contributing to the Company's ability for profitable operations in a long-term perspective.

Moreover, Company plans to strengthen its insurance portfolio upon continuation of its diversification and increase of voluntary insurance type ratio, particular within property, CASCO and private accident insurance types.

Departments and Branches of the Company

Customer service locations that offer BTA insurance services in Latvia:

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

Foreign branches:

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

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