



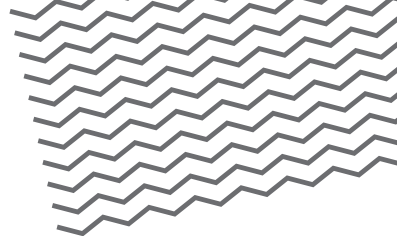
BTA Baltic Insurance Company AAS

PUBLIC QUARTERLY REPORT 1ST QUARTER 2018

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 2018.**

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	Janis Lucaus – Chairman of the Board until 27.04.2018 Oskars Hartmanis – Member of the Board Evija Matveja – Member of the Board Wolfgang Kurt Wilhelm Stockmeyer – Member of the Board												
Members of the Council and their positions	Franz Fuchs – 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	01.01.2018 – 31.03.2018												
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												

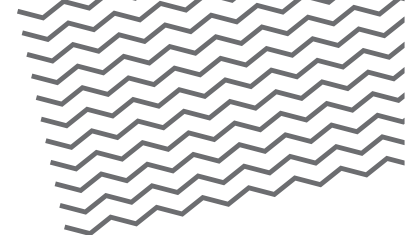
Balance Sheet

Item	At the end of the Reporting Period, EUR	At the end of the Previous Reporting Year, EUR
Tangible assets	1 762 370	1 658 465
Investments in land lots and buildings	3 276 119	3 450 578
Intangible assets	1 783 969	1 777 474
Investments in share capital of related companies	-	-
Investments in share capital of associated companies	-	-
Financial assets held for trading	-	-
Classified as financial assets at fair value through profit and loss	5 856 351	1 755 877
Financial assets available-for-sale	153 037 186	150 655 690
Held-to-maturity investments	3 000 304	3 302 465
Loans granted and debtor debts	40 210 201	32 117 946
Accrued income and deferred expenses	9 240 995	9 420 287
Tax assets	479 298	234 793
Reinsurance contracts	53 741 921	51 248 399
Cash on hand and claims on demand on credit institutions	32 285 767	33 562 493
Total assets	304 674 481	289 184 467
Capital and reserves	54 492 502	53 102 933
Insurance liabilities	221 360 698	209 235 231
Subordinated liabilities	1 500 000	1 500 000
Classified as financial liabilities at fair value through profit and loss	-	-
Financial liabilities at amortized cost	23 572 975	20 791 012
Provisions	2 216 291	2 356 187
Tax liabilities	220 654	880 932
Accrued expenses and deferred income	1 311 361	1 318 172
Total liabilities	250 181 980	236 081 534
Total capital and reserves, and liabilities	304 674 481	289 184 467

Income Statement

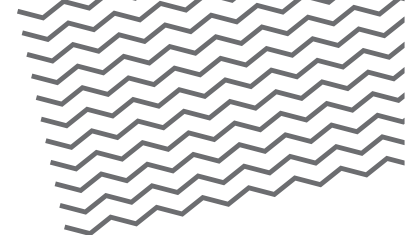
Item	For the Reporting Period, EUR	For the Respective Period of the Previous Reporting Year, EUR
Earned premiums	35 345 915	31 545 531
Other technical income, net	91 570	68 609
Incurred claims, net	(23 289 912)	(22 280 213)
Changes in life insurance technical reserves	-	-
Changes in other technical reserves	-	-
Gratuities, net	-	-
Net operating expenses	(9 122 408)	(8 411 930)
Other technical expenses, net	(74 514)	(41 645)
Changes in equalization reserves	(500 000)	-
Investment management expenses/income and commission payments	(114 004)	(710)
Net interest income and dividend income	349 441	277 289
Net realized profit/loss from financial assets and financial liabilities, which are not recognized at amortized value	-	-
Net realized profit/loss from financial assets available for sale	13 672	-
Net profit/loss from financial assets and financial liabilities held for trading	-	-
Net profit/loss from the financial assets and financial liabilities classified at fair value through profit and loss	(2 041)	(66 668)
Revaluation result of foreign currencies	(79 433)	44 933
Profit/loss from derecognition of tangible assets, investments in buildings for ensuring own activities, investments in property and intangible assets	215 046	-
Depreciation	(305 073)	(242 533)
Impairment losses	1 540	9 149
Negative goodwill	-	-
Other income/(expenses) that are not recognized in other items, net	-	-
Profit/loss for the reporting period before profit tax	2 529 798	901 812
Profit tax	-	-
Profit/loss for the reporting period before taxes	2 529 798	901 812

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 agreementssigned in Latvia		
		incl. agreements signed with private persons			incl. agreements signed with private persons		
Non-life insurance	53 763 790	20 946 958	5 064 816	28 763 596	13 981 155	5 620 066	9 427 481
Accident insurance	1 511 269	775 339	454 273	433 738	190 922	86 549	328 650
Health Insurance	8 909 380	8 324 924	10 551	3 857 889	3 455 343	6 481	1 027 124
Motor vehicle insurance (other than railway)	12 151 057	3 796 266	1 502 764	7 488 794	3 338 592	1 530 376	2 932 374
Railway transport insurance	160 514	11 688	-	694	427	-	21 498
Aircraft insurance	33 133	8 750	-	-	-	-	2 161
Vessel insurance	571 689	370 963	141	328 711	301 584	-	(61 352)
Cargo insurance	344 188	176 127	-	57 039	44 744	-	77 508
Property insurance against fire and natural disaster damages and other risks	5 087 763	2 032 742	774 561	2 245 705	786 089	253 336	1 348 481
Civil liability insurance of motor vehicle owners	15 498 601	6 689	-	7 278 481	3	-	1 741 214
Civil liability insurance of aircraft owners	9 688	3 293	260	-	-	-	1 895
Civil liability insurance of vessel owners	33 783	2 119	(26)	-	-	-	(3 765)
General civil liability insurance	2 269 428	467 846	86 630	661 701	105 985	14 405	588 267
Loan insurance	82 743	82 743	-	45 978	45 978	-	835
Guarantee insurance	1 601 912	634 963	275	1 046 441	721 664	-	86 513
Insurance of various financial losses	138 728	50 743	-	115	115	-	11 270
Insurance of legal expenses	4 226	4 226	2 617	32	32	-	886
Assistance insurance	1 583 943	425 792	359 207	396 577	67 976	59 058	619 431
Compulsory civil liability insurance of motor vehicle owners	3 771 745	3 771 745	1 873 563	4 921 701	4 921 701	3 669 860	704 493

Ratio 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 Indicator (%)	65.89	40.57	83.14	64.94	19.62	0.00	314.80	73.66	42.22	65.77	0.00	(7.47)	64.85	(431.42)	4.45	4.94	(14.74)	37.36	149.42
Expense Indicator (%)	26.88	32.66	20.23	26.72	32.71	14.94	(129.03)	23.89	29.80	26.77	14.23	(151.62)	31.72	4.82	8.21	31.51	13.31	41.04	34.80
Combined Indicator (%)	92.77	73.23	103.37	91.66	52.33	14.94	185.77	97.55	72.02	92.54	14.23	(159.09)	96.57	(426.60)	12.66	36.45	(1.43)	78.40	184.22



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

No.	Item	In reporting period
1	Basic own funds before deduction	52 443 667
2	Deductions for participations in financial and credit institutions	-
3	Total basic own funds after deductions (1.-2.)	52 443 667
4	Total ancillary own funds	-
5	Available and eligible own funds	52 443 667
5.1.	Total available own funds to meet the Solvency Capital requirements	52 443 667
5.2.	Total available own funds to meet the Minimum Capital requirements	52 443 667
5.3.	Total eligible own funds to meet the Solvency Capital requirements	52 443 667
5.4.	Total eligible own funds to meet the Minimum Capital requirements	52 443 667
6	Solvency Capital requirements	39 041 865
7	Minimum Capital requirements	17 568 839
8	Ratio of Eligible own funds to Solvency Capital requirements	134%
9	Ratio of Eligible own funds to Minimum Capital requirements	299%



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
SWISS RE EUROPE S.A.	AA-	Standard & Poor's	Luxembourg
R+V VERSICHERUNG AG	AA-	Standard & Poor's	Germany
SCOR GLOBAL P&C SE	AA-	Standard & Poor's	France
HANNOVER RÜCK SE	AA-	Standard & Poor's	Germany

Insurance and Reinsurance Brokerage Companies

Brokerage Company	Service	Place (Country) of Registration
AON Benfield	Reinsurance mediation	Germany
Guy Carpenter	Reinsurance mediation	Great Britain



Operational Strategy and Objectives

Despite the fierce competition in the Baltic market, the Company discerns a high growth potential in several types of insurance, voluntary insurance in particular.

Proceeding with improvement of its insurance products and customer service, the Company plans to increase the volume of operations in 2018 in the Baltic States, achieving more than 15 % growth in gross written insurance premiums total for the Baltic region. The Company senses the greatest growth opportunities in Estonia and Latvia, where the increase in gross written insurance premiums is expected to be above 25 % respectively compared to the year 2017. Given the current insurance portfolio volume and market situation in Lithuania, the Company expects the growth in that country to slow down in comparison to 2017.

The Company plans to strengthen its insurance portfolio, proceeding with its diversification and reducing the share of MTPL insurance type. The Company sets higher goals in voluntary insurance types, such as property insurance, CASCO insurance and assistance insurance.

Meanwhile the Company is going to proceed with the started initiatives on improvement of processes and management efficiency in all realms of operations, which includes improvement of private and corporate customer service standards and developing online sales.

The Company will further sustain its quick and high-quality decision-making, with a particular focus on improvement of insurance claims handling processes. The Company's Board is going to enable the professional development of its staff, meanwhile keeping on with improvement of its insurances products, increasing their quality, thus maintaining and improving the Company's long-term capacity to operate at profit.

On the behalf of the Company's Board, we hereby thank our employees, our clients and our cooperation partners for the work accomplished aimed at meeting our common goals – thank you for your loyalty and trust!

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/>