



BTA Baltic Insurance Company AAS

# PUBLIC QUARTERLY REPORT 2ND QUARTER 2019

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 June 30th 2019.**

# Company information



<b>Name of the Company</b>	BTA Baltic Insurance Company		
<b>Legal status</b>	Insurance Joint Stock Company		
<b>Number, place and date of registration</b>	40103840140, registered in Riga, Latvia on 28 October 2014		
<b>Address</b>	Sporta 11, Riga, Latvia, LV-1013		
<b>Members of the Board and their positions</b>	<b>Wolfgang Stockmeyer</b> – Chairman of the Management Board <b>Oskars Hartmanis</b> – Deputy Chairman of the Management Board <b>Evija Matveja</b> – Member of the Management Board <b>Tadeuš Podvorski</b> – Member of the Management Board		
<b>Members of the Council and their positions</b>	<b>Peter Franz Hoefinger</b> – Chairman of the Council from 20.06.2019 <b>Franz Fuchs</b> – Deputy Chairman of the Council from 20.06.2019; until then Chairman of the Council <b>Elisabeth Stadler</b> – Deputy Chairman of the Council <b>Jan Bogutyn</b> – Member of the Council <b>Artur Borowski</b> – Member of the Council		
<b>Reporting Period</b>	01.01.2019 – 30.06.2019		
<b>Shareholder structure at the end of reporting period</b>	<b>Shareholder</b>	<b>Number of shares</b>	<b>% of the share capital</b>
	VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe	377 920	90.83%
	Balcia Insurance SE	38 174	9.17%
	<b>Total:</b>	<b>416 094</b>	<b>100%</b>
<b>Face value of one share</b>	EUR 100.00		
<b>Subscribed share capital</b>	EUR 41 609 400		
<b>Paid-up share capital</b>	EUR 41 609 400		
<b>Foreign branches</b>	Lithuania, Estonia		

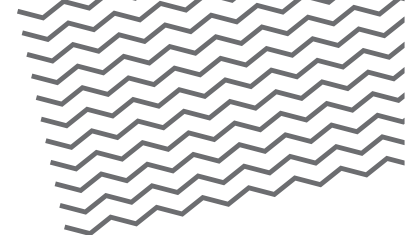
# Balance Sheet

Item	At the end of the Reporting Period, EUR	At the end of the Previous Reporting Year, EUR
Tangible assets	2 144 372	1 982 501
Investments in land lots and buildings	9 331 866	2 650 185
Intangible assets	1 801 896	1 542 091
Investments in share capital of related companies	405 877	-
Investments in share capital of associated companies	-	-
Classified as financial assets at fair value through profit and loss	1 767 014	1 748 077
Classified as financial assets at fair value through other comprehensive income	206 854 283	198 440 882
Classified as financial assets at amortized cost	50 152 700	43 638 386
Accrued income and deferred expenses	10 636 641	9 481 526
Tax assets	890 940	282 051
Ceded reinsurance and retrocession contracts	66 279 948	64 676 036
Cash on hand and claims on demand on credit institutions	21 944 082	15 849 680
<b>Total assets</b>	<b>372 209 619</b>	<b>340 291 415</b>
Capital and reserves	61 667 233	54 095 750
Insurance and reinsurance liabilities	268 791 168	249 996 297
Classified as financial liabilities at fair value through profit and loss	-	-
Financial liabilities at amortized cost	36 461 818	30 807 444
Provisions	2 789 506	2 930 395
Tax liabilities	802 146	619 917
Accrued expenses and deferred income	1 697 748	1 841 612
<b>Total liabilities</b>	<b>310 542 386</b>	<b>286 195 665</b>
<b>Total capital and reserves, and liabilities</b>	<b>372 209 619</b>	<b>340 291 415</b>

# Income Statement

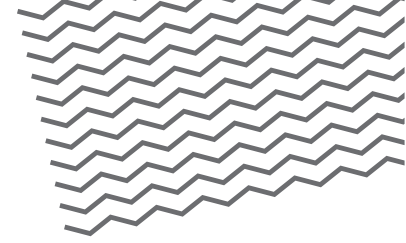
Item	For the Reporting Period, EUR	For the Respective Period of the Previous Reporting Year, EUR
Earned premiums	77 616 368	72 914 078
Other technical income, net	198 978	189 129
Incurred claims, net	(53 906 710)	(50 144 437)
Changes in life insurance technical reserves	-	-
Changes in other technical reserves	-	-
Gratuities, net	-	-
Net operating expenses	(18 058 141)	(17 338 716)
Other technical expenses, net	(220 497)	(133 505)
Changes in equalization reserves	-	(1 593 307)
Investment management expenses/income and commission payments	(393 548)	(188 009)
Net interest income and dividend income	934 917	727 511
Net profit/loss from derecognition of the financial assets and financial liabilities not classified at fair value through profit and loss	1 067 840	96 934
Net profit/loss from the financial assets and financial liabilities classified at fair value through profit and loss	(6 061)	(288)
Revaluation result of foreign currencies	47 605	(88 839)
Profit/loss from derecognition of tangible assets, investments in buildings for ensuring own activities, investments in property and intangible assets	300 655	371 553
Depreciation	(1 676 965)	(624 390)
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	5 904 441	4 187 714
Profit tax	-	-
<b>Profit/loss for the reporting period before taxes</b>	<b>5 904 441</b>	<b>4 187 714</b>
<b>Other comprehensive income</b>	<b>7 617 186</b>	<b>(920 330)</b>

# 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		
<b>Non-life insurance</b>	<b>112 286 179</b>	<b>42 402 809</b>	<b>11 006 793</b>	<b>72 484 676</b>	<b>30 198 396</b>	<b>5 627 097</b>	<b>19 735 106</b>
Accident insurance	2 694 671	1 227 020	626 454	887 440	318 514	138 153	730 948
Health Insurance	16 443 754	13 944 657	16 423	9 893 774	8 641 468	19 220	2 211 130
Motor vehicle insurance (other than railway)	26 861 821	8 715 468	3 750 245	15 458 907	5 255 186	2 285 568	6 922 367
Railway transport insurance	214 508	48 402	0	360 266	7 863	0	29 522
Aircraft insurance	112 326	10 836	0	992	0	0	12 338
Vessel insurance	1 527 124	1 295 761	11 429	1 395 246	1 294 814	4 441	(170 737)
Cargo insurance	536 225	337 703	0	142 098	119 100	0	122 251
Property insurance against fire and natural disaster damages and other risks	12 569 403	5 770 429	2 243 328	11 351 155	2 796 323	684 821	3 158 202
Civil liability insurance of motor vehicle owners	31 379 764	14 600	140	18 099 880	0	0	3 127 021
Civil liability insurance of aircraft owners	132 429	12 340	2 547	180	0	0	12 843
Civil liability insurance of vessel owners	63 848	11 375	1 463	13 010	0	0	(5 767)
General civil liability insurance	4 892 388	1 134 254	233 494	2 231 536	283 222	45 239	992 418
Loan insurance	242 637	242 637	0	1 747	1 747	0	7 940
Guarantee insurance	3 506 457	1 286 719	1 000	5 863 698	5 569 604	0	466 062
Insurance of various financial losses	260 875	95 614	71	75 330	75 330	0	43 939
Insurance of legal expenses	7 520	7 520	6 909	144	144	0	2 331
Assistance insurance	3 735 677	1 142 722	778 706	1 238 714	364 522	145 487	1 457 046
Compulsory civil liability insurance of motor vehicle owners	7 104 752	7 104 752	3 334 584	5 470 559	5 470 559	2 304 167	615 252

# 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 (%)	69.45	39.82	83.91	62.17	259.17	(83.20)	108.19	175.78	77.14	80.84	1.41	103.07	40.51	(72.72)	26.79	92.25	14.49	37.75	91.16
Expense ratio (%)	25.71	32.29	18.68	28.46	20.53	26.97	(119.82)	34.10	30.71	21.83	27.27	(125.85)	28.41	14.71	22.44	26.90	18.50	40.51	17.24
Combined ratio (%)	95.16	72.11	102.59	90.63	279.70	(56.23)	(11.63)	209.88	107.85	102.67	28.68	(22.78)	68.92	(58.01)	49.23	119.15	32.99	78.26	108.40



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

No.	Item	In reporting period
1	Basic own funds before deduction	67 742 586
2	Deductions for participations in financial and credit institutions	-
3	<b>Total basic own funds after deductions (1.-2.)</b>	<b>67 742 586</b>
4	<b>Total ancillary own funds</b>	-
5	<b>Available and eligible own funds</b>	67 742 586
5.1.	Total available own funds to meet the Solvency Capital requirements	67 742 586
5.2.	Total available own funds to meet the Minimum Capital requirements	67 695 514
5.3.	Total eligible own funds to meet the Solvency Capital requirements	67 742 586
5.4.	Total eligible own funds to meet the Minimum Capital requirements	65 156 786
6	<b>Solvency Capital requirements</b>	<b>49 569 683</b>
7	<b>Minimum Capital requirements</b>	<b>22 306 357</b>
8	<b>Ratio of Eligible own funds to Solvency Capital requirements</b>	<b>137%</b>
9	<b>Ratio of Eligible own funds to Minimum Capital requirements</b>	<b>292%</b>

# Key Cooperation Partners

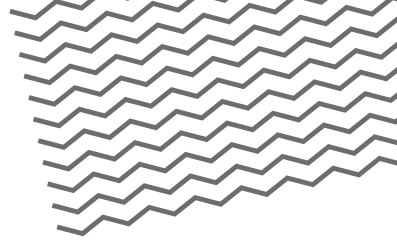
## Reinsurers

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
REZIKOS CESIAJA, 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





# Operational Strategy and Objectives

Thanks to the excellent business growth, improvements in pricing of insurance products, further development of internal processes and information technology solutions, the Company succeeded in achieving strong positive financial results in year 2018 in all Baltic countries. This year the Company will continue with the previously commenced initiatives and plans.

The Company's goal this year remains on increasing its business volume, facilitated by strengthening and diversification of its insurance portfolio, and reducing the share of MTPL insurance. The Company sets higher goals in voluntary lines of insurance business, 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 areas of operations, which includes improvement of private and corporate customer service standards.

With the new strategy for the upcoming three years and its goal to be the preferred insurance service provider for its customers and partners, the Company's focus will be set on innovations and personnel development.

The Company has defined innovative internal culture, innovative products and continual improvements in processes and information technologies as the pillars of the new strategy.

The Company continuously strives to develop the knowledge, abilities and skills of all the members of its professional team. The Company invests into development, working environment and equipment of its sales and support employees. The Company is also planning to extend the training program, know-how sharing platforms, to focus on development of the leadership skills of its key managers, and on adding experts and young talents to the team.

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 will continue the previously started contemporary art project "BTA Art", aiming to reveal diversity in the artistic approaches and to popularize contemporary art among its employees and customers. The Company will continue to engage in the corporate social responsibility activities, demonstrating its attention to the issues significant for the society.



# 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/>