



BTA Baltic Insurance Company AAS

PUBLIC QUARTERLY REPORT 4TH 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 December 31st 2019.**

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 from 20.06.2019 Franz Fuchs – Deputy Chairman of the Council from 20.06.2019; until then Chairman of the Council Elisabeth Stadler – Deputy Chairman of the Council Jan Bogutyn – Member of the Council Artur Borowski – Member of the Council		
Reporting Period	01.01.2019 – 31.12.2019		
Shareholder structure at the end of reporting period	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		

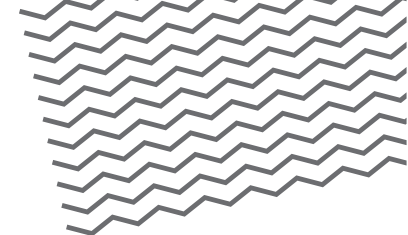
Balance Sheet

Item	At the end of the Reporting Period, EUR	At the end of the Previous Reporting Year, EUR
Tangible assets	2 548 316	1 982 501
Investments in land lots and buildings	8 152 593	2 650 185
Intangible assets	1 538 026	1 542 091
Investments in share capital of related companies	505 877	-
Investments in share capital of associated companies	-	-
Classified as financial assets at fair value through profit and loss	1 758 043	1 748 077
Classified as financial assets at fair value through other comprehensive income	208 278 316	198 440 882
Classified as financial assets at amortized cost	62 768 081	43 638 386
Accrued income and deferred expenses	11 671 578	9 481 526
Tax assets	309 952	282 051
Ceded reinsurance and retrocession contracts	70 575 027	64 676 036
Cash on hand and claims on demand on credit institutions	26 825 080	15 849 680
Total assets	394 930 889	340 291 415
Capital and reserves	65 536 005	54 095 750
Insurance and reinsurance liabilities	280 781 705	249 996 297
Classified as financial liabilities at fair value through profit and loss	-	-
Financial liabilities at amortized cost	42 529 589	30 807 444
Provisions	2 961 932	2 930 395
Tax liabilities	748 805	619 917
Accrued expenses and deferred income	2 372 853	1 841 612
Total liabilities	329 394 884	286 195 665
Total capital and reserves, and liabilities	394 930 889	340 291 415

Income Statement

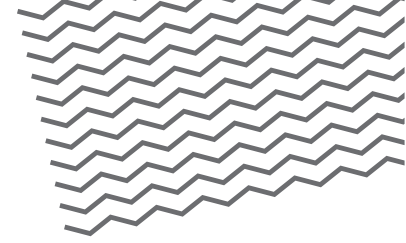
Item	For the Reporting Period, EUR	For the Respective Period of the Previous Reporting Year, EUR
Earned premiums	157 459 902	151 939 295
Other technical income, net	398 228	350 422
Incurred claims, net	(107 422 667)	(104 868 963)
Changes in life insurance technical reserves	-	-
Changes in other technical reserves	-	-
Gratuities, net	-	-
Net operating expenses	(39 428 453)	(37 323 232)
Other technical expenses, net	(517 054)	(692 940)
Changes in equalization reserves	-	106 693
Investment management expenses/income and commission payments	(757 300)	(366 839)
Net interest income and dividend income	2 092 746	1 774 984
Net profit/loss from derecognition of the financial assets and financial liabilities not classified at fair value through profit and loss	2 419 865	(12 958)
Net profit/loss from the financial assets and financial liabilities classified at fair value through profit and loss	(12 200)	(15 830)
Revaluation result of foreign currencies	131 932	(97 343)
Profit/loss from derecognition of tangible assets, investments in buildings for ensuring own activities, investments in property and intangible assets	506 478	942 213
Depreciation	(3 098 465)	(1 349 377)
Impairment losses	(34 315)	(92 194)
Negative goodwill	-	-
Net profit/loss from investments in subsidiaries and participations recognized using equity method	-	-
Profit/loss for the reporting period before profit tax	11 738 697	10 293 931
Profit tax	(1 089 938)	(1 141 827)
Profit/loss for the reporting period	10 648 759	9 152 104
Other comprehensive income	6 741 640	(1 422 786)

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	222 680 230	83 058 944	22 933 514	138 818 372	59 455 527	11 667 322	42 526 918
Accident insurance	4 888 205	1 975 313	942 182	1 847 850	633 602	287 571	1 568 713
Health Insurance	25 634 273	22 122 396	19 987	19 707 704	17 406 420	34 433	4 337 866
Motor vehicle insurance (other than railway)	52 087 365	17 706 049	8 070 750	32 216 045	10 919 257	4 845 650	14 000 562
Railway transport insurance	340 708	82 905	0	366 704	12 053	0	68 868
Aircraft insurance	109 510	16 463	660	21 714	0	0	23 214
Vessel insurance	3 048 277	2 536 749	22 968	4 221 927	3 872 615	4 441	(341 833)
Cargo insurance	972 703	524 769	0	843 870	809 432	0	228 637
Property insurance against fire and natural disaster damages and other risks	33 995 653	15 468 804	4 810 714	20 327 395	8 099 024	1 435 083	6 729 663
Civil liability insurance of motor vehicle owners	60 213 037	17 388	140	36 251 676	0	0	7 328 385
Civil liability insurance of aircraft owners	145 658	26 803	4 240	1 026	0	0	24 220
Civil liability insurance of vessel owners	103 138	27 722	2 393	13 865	0	0	(12 147)
General civil liability insurance	8 769 318	2 139 493	527 978	3 392 739	460 281	81 365	2 005 850
Loan insurance	274 893	274 893	0	5 927	5 927	0	9 638
Guarantee insurance	9 662 435	3 439 582	726	5 997 677	5 463 608	0	913 746
Insurance of various financial losses	447 547	149 104	71	291 704	291 704	0	90 474
Insurance of legal expenses	16 710	16 710	15 472	632	632	434	4 160
Assistance insurance	7 891 428	2 454 429	1 740 477	2 530 184	701 239	265 107	3 699 736
Compulsory civil liability insurance of motor vehicle owners	14 079 372	14 079 372	6 774 756	10 779 733	10 779 733	4 713 237	1 847 166

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 (%)	68.22	40.74	80.07	62.79	124.75	(20.50)	257.80	46.58	66.03	82.63	4.33	49.93	55.92	(6.12)	60.53	146.99	7.99	33.15	76.16
Expense ratio (%)	27.34	33.53	17.79	28.09	23.14	23.70	(108.57)	28.65	32.21	25.25	22.58	(118.92)	28.07	9.78	36.12	31.39	18.47	47.52	25.44
Combined ratio (%)	95.56	74.27	97.86	90.88	147.89	3.20	149.23	75.23	98.24	107.88	26.91	(68.99)	83.99	3.66	96.65	178.38	26.46	80.67	101.60



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

No.	Item	In reporting period
1	Basic own funds before deduction	66 841 536
2	Deductions for participations in financial and credit institutions	-
3	Total basic own funds after deductions (1.-2.)	66 841 536
4	Total ancillary own funds	-
5	Available and eligible own funds	66 841 536
5.1.	Total available own funds to meet the Solvency Capital requirements	66 841 536
5.2.	Total available own funds to meet the Minimum Capital requirements	66 841 536
5.3.	Total eligible own funds to meet the Solvency Capital requirements	66 841 536
5.4.	Total eligible own funds to meet the Minimum Capital requirements	64 397 614
6	Solvency Capital requirements	50 623 080
7	Minimum Capital requirements	22 780 386
8	Ratio of Eligible own funds to Solvency Capital requirements	132.04%
9	Ratio of Eligible own funds to Minimum Capital requirements	283%

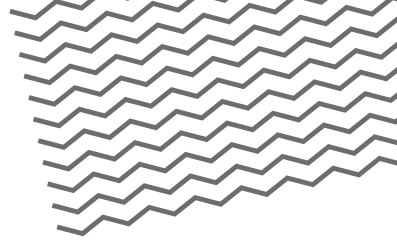
Key Cooperation Partners

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



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/>