



# **AAS „BTA Baltic Insurance Company“**

**Public Report  
for the period from 01.01.2017 until  
31.12.2017**

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 2017**.

## Company information

<b>Name of the Company</b>	„BTA Baltic Insurance Company“ AAS
<b>Legal status</b>	Insurance Joint Stock Company
<b>Number, place and date of registration</b>	40103840140, Riga, October 28th 2014
<b>Address</b>	Sporta 11, Riga
<b>Members of the Board and their positions</b>	Janis Lucaus - Chairman of the Board Oskars Hartmanis - Board member Evija Matveja - Board member Wolfgang Kurt Wilhelm Stockmeyer - Board member
<b>Members of the Council and their positions</b>	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 Gints Dandzbergs - Member of the Council until 13.01.2017
<b>Reporting Period</b>	01.01.2017 – 31.12.2017

<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

## Reorganisation / Merger with AAS "InterRisk Vienna Insurance Group"

On 19 September 2017, a decision has been adopted regarding reorganisation of AAS "BTA Baltic Insurance Company". Reorganisation is performed as a merger by way of takeover, where AAS "BTA Baltic Insurance Company" is the acquiring company and AAS "InterRisk Vienna Insurance Group", registration number: 40003387032, registered address: Ūdens iela 12 - 115, Riga, LV-1007, is the acquired company. Reorganization came into force on 27 December 2017.

As a result of the reorganisation, all property of AAS "InterRisk Vienna Insurance Group" (assets, liabilities, rights and obligations) was transferred to AAS "BTA Baltic Insurance Company". The share capital of AAS "BTA Baltic Insurance Company" was increased to EUR 31 609 400. Respectively all newly issued shares were paid up by way of non-monetary contribution from the assets of AAS "InterRisk Vienna Insurance Group". The table below sets out the main categories of assets and liabilities as at 27 December 2017 representing taken over Balance amounts from reorganisation.

	<b>EUR'000</b>
Land and buildings	2 994
Property and equipment	60
Intangible assets	47
Debt securities and other fixed income securities	19 433
Cash and cash equivalents	3 982
Receivables from policy holders	1 592
Receivables from intermediaries	764
Reinsurance receivables	145
Other receivables	551
Deferred client acquisition costs	1 537
Other next period expense and accrued income	19
Reinsurers' share in unearned premiums technical reserves	5 779
Reinsurers' share in outstanding claim technical reserve	16 127
<b>Total Assets</b>	<b>53 030</b>
Share capital	2 609
Other reserves	(1 490)
Revaluation reserve	148
Subordinated loan	1 500
Technical reserves for unearned premiums and unexpired risks	12 690
Outstanding claims technical reserves	24 924
Direct insurance creditors - policyholders	2 731
Direct insurance creditors - intermediaries	92
Reinsurers deposit	7 378
Reinsurance creditors	1 843
Taxes	1
Other creditors	156
Provisions	96
Deferred income tax liabilities	151
Unearned reinsurance commission income	201
<b>Total Liabilities and Revaluation reserve</b>	<b>53 030</b>

## Capital increase

On 28 December 2017 the share capital of AAS "BTA Baltic Insurance Company" was increased by EUR 10 000 000 to EUR 41 609 400. All newly issued shares were paid up in cash.

## Balance Sheet

31.12.2017

Item	Reporting Period, EUR	Previous Reporting Year, EUR
Tangible assets	1 658 465	767 896
Investments in land lots and buildings	3 450 578	516 460
Intangible assets	1 777 474	1 642 319
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	1 755 877	75 687 296
Financial assets available-for-sale	150 655 690	5 026 112
Held-to-maturity investments	3 302 465	1 277 000
Loans granted and debtor debts	32 117 946	20 829 053
Accrued income and deferred expenses	9 420 287	1 164 222
Tax assets	234 793	548 962
Reinsurance contracts *	51 248 399	8 395 078
Cash on hand and claims on demand on credit institutions	33 562 493	42 479 444
<b>Total assets</b>	<b>289 184 467</b>	<b>158 333 842</b>
Capital and reserves	53 102 933	34 053 052
Insurance liabilities **	209 235 231	108 183 161
Subordinated liabilities	1 500 000	-
Classified as financial liabilities at fair value through profit and loss	-	-
Financial liabilities at amortized cost ***	20 791 012	15 574 161
Provisions	2 356 187	-
Tax liabilities	880 932	481 189
Accrued expenses and deferred income	1 318 172	42 279
<b>Total liabilities</b>	<b>236 081 534</b>	<b>124 280 790</b>
<b>Total capital and reserves, and liabilities</b>	<b>289 184 467</b>	<b>158 333 842</b>

\* Data for previous reporting year includes EUR 620 247 of unearned reinsurance commission, previously classified as Accrued expenses and deferred income

\*\* Data for previous reporting year includes EUR 5 461 342 of deferred acquisition costs, previously classified as Accrued income and deferred expenses

\*\*\* Data for previous reporting year includes EUR 1 615 546 of accrued liabilities, previously classified as Provisions

## Income Statement

31.12.2017

Item	For the Reporting Period, EUR	For the Respective Period of Previous Reporting Year, EUR
Earned premiums *	126 157 736	115 584 710
Other technical income, net	295 706	283 819
Incurred claims, net	(85 345 879)	(79 693 975)
Changes in life insurance technical reserves	-	-
Changes in other technical reserves	(128 386)	(76 659)
Gratuities, net	-	-
Net operating expenses	(32 399 211)	(32 648 470)
Other technical expenses, net	(147 196)	(608 010)
Changes in equalization reserves	-	-
Investment management expenses/income and commission payments	(217 903)	(42 426)
Net interest income and dividend income	904 540	1 144 222
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	714 310	-
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	55 240	(91 171)
Revaluation result of foreign currencies	(180 445)	(266 719)
Profit/loss from derecognition of tangible assets, investments in buildings for ensuring own activities, investments in property and intangible assets	-	-
Depreciation	(1 118 639)	(1 056 357)
Impairment losses	1 271	(3 573)
Negative goodwill	-	-
Other income/(expenses) that are not recognized in other items, net	110 124	24 552
Profit/loss for the reporting period before profit tax	8 701 268	2 549 943
Profit tax	(909 164)	(617 897)
<b>Profit/loss for the reporting period before taxes</b>	<b>7 792 104</b>	<b>1 932 046</b>

\* Data for previous reporting year includes EUR 1 301 009 of obligatory deductions of Estonian and Lithuanian compulsory motor third party liability insurance, previously classified as Other technical expenses, net

## Gross Written Premiums, Gross Claims paid and Net operating expenses by type of insurance, EUR

31.12.2017

	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>162 979 366</b>	<b>55 749 748</b>	<b>18 957 294</b>	<b>79 398 171</b>	<b>30 342 201</b>	<b>9 501 693</b>	<b>33 517 850</b>
Accident insurance	3 774 576	1 543 464	785 718	1 564 912	625 775	365 343	942 750
Health Insurance	15 337 492	13 361 533	20 944	11 023 324	9 559 174	31 912	2 910 755
Motor vehicle insurance (other than railway)	38 949 644	12 588 025	6 078 527	21 303 210	8 103 014	3 976 203	10 596 740
Railway transport insurance	291 822	46 909	-	15 230	-	-	62 703
Aircraft insurance	82 397	33 148	133	4 104	-	-	20 188
Vessel insurance	1 914 730	1 544 858	11 592	362 517	335 571	4 690	(82 684)
Cargo insurance	1 433 482	997 847	-	282 878	156 298	-	413 597
Property insurance against fire and natural disaster damages and other risks	20 854 332	9 648 055	4 595 208	7 201 758	3 081 303	937 119	5 067 108
Civil liability insurance of motor vehicle owners	51 049 824	15 067	240	26 246 725	989	-	6 849 979
Civil liability insurance of aircraft owners	105 759	1 833	3 483	1 414	-	-	15 116
Civil liability insurance of vessel owners	92 319	25 454	2 603	16 359	1 692	-	(16 336)
General civil liability insurance	6 771 917	1 755 131	389 740	1 358 515	217 686	39 044	1 661 217
Loan insurance	220 993	220 993	-	393 908	393 908	-	36 822
Guarantee insurance	5 676 405	1 801 908	757	883 575	307 907	-	962 198
Insurance of various financial losses	211 788	128 319	73	2 192	2 192	-	54 327
Insurance of legal expenses	26 782	26 782	13 287	-	-	-	6 516
Assistance insurance	5 786 406	1 611 724	1 283 733	1 570 600	389 742	239 121	2 374 211
Compulsory civil liability insurance of motor vehicle owners	10 398 698	10 398 698	5 771 256	7 166 950	7 166 950	3 908 261	1 642 644

## Ratio by Type of Insurance

31.12.2017

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
<b>Loss Indicator (%)</b>	67.65	44.68	76.47	66.17	24.19	1.68	21.64	24.58	58.46	74.82	(13.19)	139.51	45.75	246.40	47.81	1.18	7.45	37.57	116.97
<b>Expense Indicator (%)</b>	26.68	27.04	20.10	30.40	22.22	30.26	(49.37)	36.86	33.21	20.05	14.44	(155.76)	30.78	21.77	25.17	37.92	25.82	42.83	25.38
<b>Combined Indicator (%)</b>	94.33	71.72	96.57	96.57	46.41	31.94	(27.73)	61.44	91.67	94.87	1.25	(16.25)	76.53	268.17	72.98	39.10	33.27	80.40	142.35

**Insurer's Own Funds and Solvency Capital Requirement calculation, EUR**  
31.12.2017

<b>No.</b>	<b>Item</b>	<b>In reporting period</b>
<b>1</b>	Basic own funds before deduction	52 118 956
<b>2</b>	Deductions for participations in financial and credit institutions	-
<b>3</b>	<b>Total basic own funds after deductions (1.-2.)</b>	<b>52 118 956</b>
<b>4</b>	<b>Total ancillary own funds</b>	-
<b>5</b>	<b>Available and eligible own funds</b>	
5.1.	Total available own funds to meet the Solvency Capital requirements	52 118 956
5.2.	Total available own funds to meet the Minimum Capital requirements	52 118 956
5.3.	Total eligible own funds to meet the Solvency Capital requirements	52 118 956
5.4.	Total eligible own funds to meet the Minimum Capital requirements	52 118 956
<b>6</b>	<b>Solvency Capital requirements</b>	<b>39 294 198</b>
<b>7</b>	<b>Minimum Capital requirements</b>	<b>17 682 389</b>
<b>8</b>	<b>Ratio of Eligible own funds to Solvency Capital requirements</b>	<b>133%</b>
<b>9</b>	<b>Ratio of Eligible own funds to Minimum Capital requirements</b>	<b>295%</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
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

The BTA operational strategy and objectives aim to make the Company the leading insurance company in the Baltic market – a dynamic and professional company that satisfies the desires of its customers to receive high quality insurance products in any manner and at any place convenient to the customer.

In order for BTA to become more available to current and potential customers, we continue to develop digital communication channels for distribution of insurance agreements, claims handling, and customer support, while maintaining the network of client service centres in Latvia and other Baltic countries. The main tool BTA uses to achieve its set objectives is an individual approach toward each customer – in each particular situation BTA employees offer the best insurance solution to each customer. The entire Company has adopted high customer service standards that are applicable to each and every employee.

### 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/>