



BTA Baltic Insurance Company AAS

PUBLIC QUARTERLY REPORT 3RD 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 September 30th 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 Borowski – Member of the Council												
Reporting Period	01.01.2020 – 30.09.2020												
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												

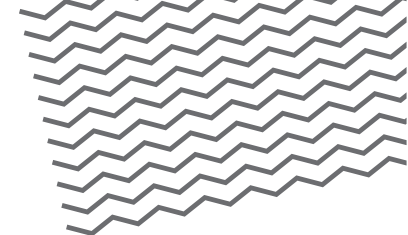
Balance Sheet

Item	At the end of the Reporting Period, EUR	At the end of the Previous Reporting Year, EUR
Tangible assets	2 617 272	2 548 316
Investments in land lots and buildings	7 069 141	8 152 593
Intangible assets	3 253 522	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	1 580 805	1 758 043
Classified as financial assets at fair value through other comprehensive income	223 556 196	208 278 316
Classified as financial assets at amortized cost	64 755 200	62 768 081
Accrued income and deferred expenses	12 192 219	11 671 578
Tax assets	243 901	309 952
Ceded reinsurance and retrocession contracts	64 346 213	70 575 027
Cash on hand and claims on demand on credit institutions	18 298 679	26 825 080
Total assets	398 419 024	394 930 889
Capital and reserves	69 845 240	65 536 005
Insurance and reinsurance liabilities	285 887 614	280 781 705
Classified as financial liabilities at fair value through profit and loss	-	-
Financial liabilities at amortized cost	38 634 111	42 529 589
Provisions	2 152 461	2 961 932
Tax liabilities	456 090	748 805
Accrued expenses and deferred income	1 443 507	2 372 853
Total liabilities	328 573 784	329 394 884
Total capital and reserves, and liabilities	398 419 024	394 930 889

Income Statement

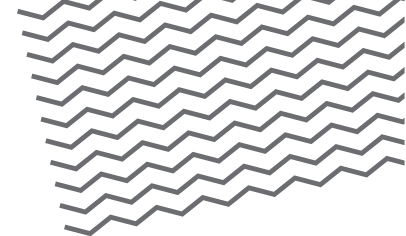
Item	For the Reporting Period, EUR	For the Respective Period of the Previous Reporting Year, EUR
Earned premiums	115 498 009	118 802 582
Other technical income, net	662 115	294 345
Incurred claims, net	(75 010 035)	(82 385 014)
Changes in life insurance technical reserves	-	-
Changes in other technical reserves	-	-
Gratuities, net	-	-
Net operating expenses	(28 115 111)	(28 889 881)
Other technical expenses, net	(106 978)	(226 801)
Changes in equalization reserves	-	-
Investment management expenses/income and commission payments	(546 119)	(576 159)
Net interest income and dividend income	1 653 349	1 492 376
Net profit/loss from derecognition of the financial assets and financial liabilities not classified at fair value through profit and loss	(54 167)	1 050 976
Net profit/loss from the financial assets and financial liabilities classified at fair value through profit and loss	(2 213)	(9 075)
Revaluation result of foreign currencies	(268 026)	82 144
Profit/loss from derecognition of tangible assets, investments in buildings for ensuring own activities, investments in property and intangible assets	532 136	507 444
Depreciation	(2 468 911)	(2 553 328)
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	11 774 050	7 589 609
Profit tax	(1 036 178)	-
Profit/loss for the reporting period	10 737 872	7 589 609
Other comprehensive income	520 030	9 840 404

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	157 482 926	60 212 034	15 860 138	96 309 989	41 252 303	8 836 380	28 115 111
Accident insurance	4 130 715	1 695 920	897 350	1 566 369	577 863	269 551	100 266
Health Insurance	24 380 505	20 566 946	7 452	14 767 021	12 851 639	9 106	3 344 424
Motor vehicle insurance (other than railway)	37 824 321	11 902 199	5 785 877	23 303 690	8 080 960	3 724 746	10 101 804
Railway transport insurance	266 144	43 344	-	1 013 665	11 960	-	35 173
Aircraft insurance	144 750	18 915	640	43 155	-	-	13 284
Vessel insurance	1 480 904	1 126 356	40 259	3 247 978	2 753 239	-	-188 333
Cargo insurance	693 666	445 592	-	805 293	708 388	-	153 842
Property insurance against fire and natural disaster damages and other risks	18 849 453	8 813 470	3 689 419	14 212 455	8 350 706	1 501 457	4 555 312
Civil liability insurance of motor vehicle owners, incl. compulsory civil liability insurance of motor vehicle owners	52 059 677	8 918 346	4 391 457	33 351 355	6 884 853	3 053 993	6 102 191
Civil liability insurance of aircraft owners	199 571	34 505	6 077	-	-	-	16 920
Civil liability insurance of vessel owners	144 778	80 113	6 366	32 264	-	-	-11 849
General civil liability insurance	6 109 162	1 638 251	419 816	1 787 780	795 261	81 087	1 361 623
Loan insurance	318 157	318 157	-	328 318	328 318	-	9 491
Guarantee insurance	7 098 526	3 486 297	85	100 323	-591 395	-	431 305
Insurance of various financial losses	314 812	78 948	185	43 779	43 779	-	63 040
Insurance of legal expenses	11 703	11 703	10 765	47	47	-	17 110
Assistance insurance	3 456 082	1 032 972	604 390	1 706 497	456 685	196 440	2 009 508

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, incl. compulsory civil liability insurance of motor vehicle	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
Loss ratio (%)	64.94	51.22	73.58	61.53	11.56	240.33	286.32	-91.29	64.86	77.46	77.54	444.98	27.33	2.18	68.34	-29.43	-19.95	39.37
Expense ratio (%)	26.57	9.56	17.84	27.88	18.42	17.37	-72.18	27.36	28.95	28.27	21.05	-83.85	28.91	12.41	17.36	35.78	142.81	58.09
Combined ratio (%)	91.52	60.78	91.43	89.42	29.97	257.69	214.14	-63.93	93.81	105.73	98.59	361.13	56.24	14.6	85.7	6.34	122.86	97.46



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

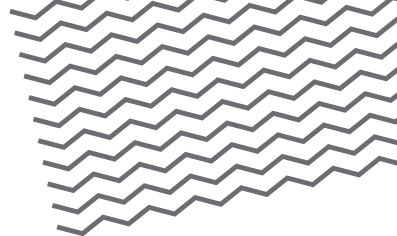
No.	Item	In reporting period
1	Basic own funds before deduction	67 409 870
2	Deductions for participations in financial and credit institutions	-
3	Total basic own funds after deductions (1-2.)	67 409 870
4	Total ancillary own funds	-
5	Available and eligible own funds	67 409 870
5.1.	Total available own funds to meet the Solvency Capital requirements	67 409 870
5.2.	Total available own funds to meet the Minimum Capital requirements	67 302 417
5.3.	Total eligible own funds to meet the Solvency Capital requirements	67 409 870
5.4.	Total eligible own funds to meet the Minimum Capital requirements	64 664 652
6	Solvency Capital requirements	48 469 281
7	Minimum Capital requirements	21 811 176
8	Ratio of Eligible own funds to Solvency Capital requirements	139.08%
9	Ratio of Eligible own funds to Minimum Capital requirements	296%



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
IIZI KINDLUSTUSMAAKLER	Insurance mediation	Estonia
APDROŠINĀŠANAS UN FINANSU BROKERS SIA	Insurance mediation	Latvia
R&D APDROŠINĀŠANAS BROKERS SIA	Insurance mediation	Latvia
EURORISK LATVIA SIA	Insurance mediation	Latvija
MARSH SIA	Insurance mediation	Latvia
AON BALTIC LATVIJAS FILIĀLE UADBB	Insurance mediation	Latvia
BROKERU AĢENTŪRA-ROOT SIA	Insurance mediation	Latvia
Amber Broker Baltic SIA	Insurance mediation	Latvia
IIZI BROKERS SIA	Insurance mediation	Latvia
SKANDI APDROŠINĀŠANAS BROKERI SIA	Insurance mediation	Latvia
AON BALTIC UADBB	Insurance mediation	Lithuania
KINDLUSTUSEST KINDLUSTUSMAAKLER OÜ	Insurance mediation	Estonia
AON BALTIC EESTI FILIAAL UADBB	Insurance mediation	Estonia
CHB KINDLUSTUSMAAKLER OÜ	Insurance mediation	Estonia
SMART KINDLUSTUSMAAKLER AS	Insurance mediation	Estonia
MARSH KINDLUSTUSMAAKLER AS	Insurance mediation	Estonia
GRECO LIETUVA, UADBB	Insurance mediation	Lithuania
IVP PARTNERS UADBB	Insurance mediation	Lithuania
KOMINSUR KINDLUSTUSMAAKLER OSAÜHING	Insurance mediation	Estonia
AON Benfield	Reinsurance mediation	Germany
Guy Carpenter	Reinsurance mediation	Germany



2020 operational strategy and goals

In the third quarter of 2020, with a more even distribution of Covid-19, a disease caused by the coronavirus, there was also a slight stabilization in the insurance market, although overall results were lower than in the same period last year. The Company's advantage is in advanced technologies, enabling customers to receive insurance services at the same high level as before and adapt to the new market situation.

Despite the fierce competition in the Baltic insurance market, the Company has been able to show the best possible result, achieved with good results in such types of voluntary insurance as Health and Property insurance. The Company also promoted the improvement of the results of other types of insurance with various sales activation instruments.

In order to assess possible Covid-19 impact scenarios and to ascertain the ability to provide sufficient liquidity and solvency level, Company constantly monitored the development of the insurance market and the dynamics of gross written premiums, as well as performed various stress tests.

The Company maintains a positive outlook for the future and expects the industry to recover in the coming periods. The Company continues to focus on the realization of ongoing projects, which will ensure an even higher level of technological development, maintaining an excellent, fast and convenient level of customer service in various sales channels according to the current world situation with Covid-19 prevalence.

The Company continued to work on streamlining several internal processes. Thus, the Company's Diversity Strategy for the next three years was created and started to be implemented. The strategy determines the possibility for the Company's employees to receive equal rights, opportunities to balance work and leisure time, as well as to gain international experience.

The company also continues to actively implement the Focus areas of the overall strategy, focusing on innovation and people development. The company strives to be the most recognizable insurer's customers and partners. The Company also continues to develop the priority directions of the Corporate Social Innovation Strategy - health, social development and art. In the process of implementing the strategy, new, innovative activities valuable to the society and employees are planned. In the third quarter of this year, the Company more actively expanded the development of the socially responsible project BTA Velozinis in various Latvian cities. This initiative has also been recognized by the Company's shareholders.

The Company also plans to further strengthen its insurance portfolio by diversifying and increasing the share of voluntary types of insurance, especially Property, CASCO and Accident insurance. It is also important for the company to make quick and high-quality decisions in the claims settlement process, which further improves the fulfillment of customer needs.



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/>