



BTA Baltic Insurance Company AAS

PUBLIC QUARTERLY REPORT 4TH QUARTER 2020

This Report is prepared in accordance with the Financial and Capital Market Commission Regulations No. 128 "Regulations on Preparation of Public Quarterly Reports of the Insurers" of 11 August 2020.

The Report includes the summarized information on the Company's activity over the period **from January 1st until December 31st 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 Borowinski – Member of the Council									
Reporting Period	01.01.2020 – 31.12.2020									
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>416 094</td><td>100%</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	416 094	100%	Total:	416 094	100%
Shareholder	Number of shares	% of the share capital								
VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe	416 094	100%								
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									

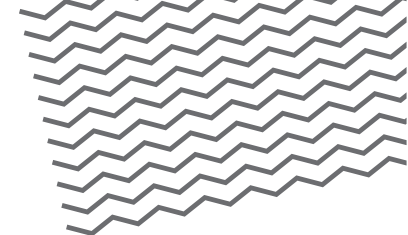
Balance Sheet

Item	At the end of the Reporting Period, EUR	At the end of the Previous Reporting Year, EUR
Tangible assets	2 976 883	2 548 316
Investments in land lots and buildings	6 732 720	8 152 593
Intangible assets	3 001 505	1 538 026
Investments in share capital of related companies	614 277	505 877
Investments in share capital of associated companies	-	-
Classified as financial assets at fair value through profit and loss	1 605 507	1 758 043
Classified as financial assets at fair value through other comprehensive income	224 920 050	208 278 316
Classified as financial assets at amortized cost	64 637 073	62 768 081
Accrued income and deferred expenses	11 643 126	11 671 578
Tax assets	221 975	309 952
Ceded reinsurance and retrocession contracts	73 413 685	70 575 027
Cash on hand and claims on demand on credit institutions	31 397 288	26 825 080
Total assets	421 164 091	394 930 889
Capital and reserves	71 897 085	65 536 005
Insurance and reinsurance liabilities	289 218 369	280 781 705
Classified as financial liabilities at fair value through profit and loss	-	-
Financial liabilities at amortized cost	54 459 292	42 529 589
Provisions	3 714 956	2 961 932
Tax liabilities	863 220	748 805
Accrued expenses and deferred income	1 011 168	2 372 853
Total liabilities	349 267 005	329 394 884
Total capital and reserves, and liabilities	421 164 091	394 930 889

Income Statement

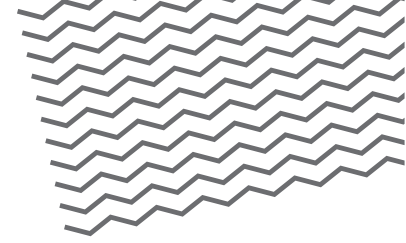
Item	For the Reporting Period, EUR	For the Respective Period of the Previous Reporting Year, EUR
Earned premiums	154 233 073	157 459 902
Other technical income, net	792 272	398 228
Incurred claims, net	(100 245 030)	(107 422 667)
Changes in life insurance technical reserves	0	0
Changes in other technical reserves	0	0
Gratuities, net	0	0
Net operating expenses	(38 845 263)	(39 428 453)
Other technical expenses, net	(219 333)	(517 054)
Changes in equalization reserves	0	0
Investment management expenses/income and commission payments	(728 438)	(757 300)
Net interest income and dividend income	2 373 663	2 092 746
Net profit/loss from derecognition of the financial assets and financial liabilities not classified at fair value through profit and loss	(14 979)	2 419 865
Net profit/loss from the financial assets and financial liabilities classified at fair value through profit and loss	79 272	(12 200)
Revaluation result of foreign currencies	(277 964)	131 932
Profit/loss from derecognition of tangible assets, investments in buildings for ensuring own activities, investments in property and intangible assets	452 439	506 478
Depreciation	(3 422 231)	(3 098 465)
Impairment losses	0	(34 315)
Negative goodwill	0	-
Net profit/loss from investments in subsidiaries and participations recognized using equity method	0	-
Profit/loss for the reporting period before profit tax	14 177 481	11 738 697
Profit tax	(1 574 815)	(1 089 938)
Profit/loss for the reporting period	12 602 666	10 648 759
Other comprehensive income	1 743 259	6 741 640

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	208 481 451	79 585 477	21 487 585	127 771 118	54 059 411	11 920 006	38 845 263
Accident insurance	5 330 995	2 044 035	1 060 973	2 286 385	768 943	341 732	170 648
Health Insurance	27 875 538	23 259 702	7 569	20 916 976	18 038 483	11 876	4 722 503
Motor vehicle insurance (other than railway)	50 022 725	15 803 402	7 812 996	31 770 698	11 316 945	5 252 382	14 092 401
Railway transport insurance	286 907	57 010	-	1 025 932	15 342	-	49 565
Aircraft insurance	149 783	24 347	790	157 573	77 585	-	18 548
Vessel insurance	1 791 370	1 385 685	41 859	3 588 360	2 972 410	-	-167 943
Cargo insurance	930 265	564 893	-	966 477	872 111	-	235 816
Property insurance against fire and natural disaster damages and other risks	31 120 992	16 063 775	5 310 133	17 177 554	9 536 392	1 926 484	7 008 274
Civil liability insurance of motor vehicle owners, incl. compulsory civil liability insurance of motor vehicle owners	68 080 994	11 754 753	5 844 880	44 326 198	8 974 171	4 001 596	7 454 130
Civil liability insurance of aircraft owners	176 294	43 405	5 781	10 860	518	518	22 866
Civil liability insurance of vessel owners	165 497	89 393	6 558	32 804	-	-	-14 407
General civil liability insurance	8 023 188	2 233 292	589 852	2 622 101	1 037 323	136 496	1 861 339
Loan insurance	343 858	343 858	-	315 149	315 149	-	14 972
Guarantee insurance	9 373 445	4 456 426	270	374 520	-475 800	-	570 274
Insurance of various financial losses	522 501	120 097	275	56 561	56 101	-	88 228
Insurance of legal expenses	16 651	16 651	15 360	64	64	-	24 284
Assistance insurance	4 270 448	1 324 753	790 289	2 142 906	553 674	248 922	2 693 765

Insurer's performance indicators by Type of Insurance



Item	Type of Insurance																	
	Total in reporting period	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 (%)	65.00	46.90	76.38	63.31	14.65	182.53	232.46	-63.85	53.44	80.04	72.76	342.93	36.61	5.99	52.56	-9.31	-14.52	42.99
Expense ratio (%)	27.54	11.17	18.73	29.15	19.67	18.23	-44.02	30.00	33.17	26.32	20.54	-66.03	29.62	14.42	17.21	35.22	149.75	62.50
Combined ratio (%)	92.53	58.08	95.11	92.46	34.32	200.76	188.44	-33.84	86.62	106.36	93.31	276.90	66.23	20.41	69.76	25.91	135.22	105.49



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

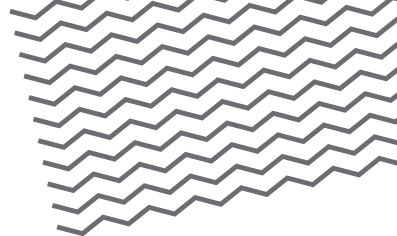
No.	Item	In reporting period
1	Basic own funds before deduction	68 955 403
2	Deductions for participations in financial and credit institutions	-
3	Total basic own funds after deductions (1-2.)	68 955 403
4	Total ancillary own funds	-
5	Available and eligible own funds	68 955 403
5.1.	Total available own funds to meet the Solvency Capital requirements	68 955 403
5.2.	Total available own funds to meet the Minimum Capital requirements	68 955 403
5.3.	Total eligible own funds to meet the Solvency Capital requirements	68 955 403
5.4.	Total eligible own funds to meet the Minimum Capital requirements	66 291 992
6	Solvency Capital requirements	50 987 109
7	Minimum Capital requirements	21 682 947
8	Ratio of Eligible own funds to Solvency Capital requirements	135.24%
9	Ratio of Eligible own funds to Minimum Capital requirements	306%



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	Reinsurance mediation	Germany
Guy Carpenter	Reinsurance mediation	Germany



2020 operational strategy and goals

The fourth quarter of 2020 ended a challenging period, which brought both cautious development forecasts and a positive financial contribution. The second wave of the coronavirus disease Covid-19 started in the Baltics, resulting in new restrictions on business and the citizens in general. 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.

Competition in the market remained fierce, however, the Company did its utmost to maintain performance indicators and long-term development prospects. Along with extensive sales campaigns and other activities, the Company showed good results throughout the Baltics.

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.

As one of the proofs of the Company's successful choice of strategy and achieved results, as well as perspective development opportunities in the Baltic insurance market, the Company's shareholder made a decisive decision to become a 100% shareholder.

Company also continued the ongoing digital development and remote communication projects. As part of this, new websites and mobile applications were launched in Estonia and Lithuania, as well as new services were created, such as a new company to provide assistance services to the Company's customers, as well as video consultations for customers in Latvia and Estonia. These are just some of the projects that make the choice of the Company's customers simpler and the daily life of employees more convenient.

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 together 7 various Latvian cities. This initiative has also been recognized by the Company's shareholders.

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 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 claim's 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/>