BTA Baltic Insurance Company AAS

Solvency And Financial Condition Report For Year 2021

April 5, 2022

Content

Summary

About Report

The purpose of this report is to provide customers, partners and society with information about BTA Baltic Insurance Company AAS" (hereafter Company) solvency and financial condition, including information on business activities, corporate governance, risk profile, solvency and capital management.

The outline and the contents of the report is developed in accordance with the Insurance and Reinsurance Law of the Republic of Latvia, as well as Regulation 2015/35 delegated by the European Commission, supplementing Directive 2009/138/EC of the European Parliament and the European Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) and Financial and Capital Market Commission regulatory provisions for the preparation of solvency and financial condition report.

The report is approved by the Company's Management Board by the decision
No MB-02-03-03-2022-063 of 5 April 2021.

The Major Changes In 2021

In year 2021 the Company succeeded in achieving its financial goals. The Company's gross written insurance premiums (after mandatory fees) amounted to EUR 219 million in the Baltic States, constituting growth by 6% compared to the results of year 2020. Acute price competition contributed to no changes in premium volumes in Motor insurance lines (total): premium growth in CASCO insurance premiums by 5% almost compensated for the lower premiums in motor third party liability insurance (MTPL) by 5% in the reporting year compared to 2020. The Company showed excellent growth of premium volumes in other key insurance lines of business, particularly in Property insurance (+20%), Accident insurance (+14%), and Health insurance (+10%). Thanks to cautious recovery of tourism in year 2021, Assistance insurance saw a revival and demonstrated a growth of 45% compared to 2020. The net profit in the year 2021 amounted to EUR 8.3 million.

The Company risk profile during the reporting period has not changed significantly, non-life insurance underwriting risk and market risk are dominating. During the reporting period, the impact of market risk on the risk profile increased (+ EUR 6.6 MM) due to the changes in the investment structure described in A.3. section. The total solvency capital requirement has increased by EUR 4 million at the end of the reporting period.

The Company is fully compliant with the Solvency capital requirements – in 31.12.2021, solvency ratio is 127.8% and the minimum capital solvency ratio is 295.8%. No inconsistencies with the Minimum Capital Requirement and the Solvency Capital Requirement fulfilment have been established in 2021.

Subsequent Events

During the preparation of these financial statements the Russia launched a military aggression against Ukraine. The Russian military aggression was met with unanimous condemnation by the European Union and the United States, as well as many other countries and international institutions, and was followed by a series of sanctions targeting companies and individuals connected with the governments of Russia and Belarus.

It will undoubtedly make a profound impact on the world's political and economic development in the years to come. As the events are changing dynamically, the Management Board continuously monitors the development of the situation and assesses the potential impact of both the hostilities and the sanctions imposed on Russia and Belarus on the insurance business and investment activities of BTA. Based on the preliminary evaluation, the direct impact of the conflict – primarily from disruption of business related to the movement of goods and services between the European Union and Russia or Belarus – is estimated be rather small and marginal to the Company's turnover in year 2022. Neither at the last day of the reporting period nor at the date of signing these financial statements the Company was exposed to any investment risks related to Ukraine, Russia or Belarus.

During the second half of the reporting year, interest rates have generally increased and have decreased the market value of the Company's fixed income investment assets. Since of the last day of the reporting period until the date of signing these financial statements this development continued, with political risks driving an additional effect. The Management Board is actively monitoring the situation and initiated the discussion with the Supervisory Board and the Shareholder about strengthening the Company's solvency position.

As of the last day of the reporting period until the date of signing these separate financial statements there have been no other events requiring adjustment of or disclosure in the financial statements or notes thereto, except of the ones mentioned above.

The Company does not see any going concern risks.

A. Business Activities And Performance

A.1 Business

COMPANY TITLE:
BTA Baltic Insurance Company, insurance joint stock company

FINANCIAL SUPERVISORY BODIES OF THE COMPANY

Financial and Capital Market Commission
Address: Kungu iela 1, Riga, LV-1050
E-mail: fktk@fktk.lv

The Bank of Lithuania
Address: Gedimino pr. 6, Vilnius, LT-01103
Mailing address: Totorių g. 4, Vilnius, LT-01121
E-mail: info@lb.lt

The Financial Supervision Authority of Estonia
Address: Sakala 4, 15030 Tallinn, Estonia
E-mail: info@fi.ee

Supervisory authority of Vienna Insurance Group AG Wiener Versicherung Gruppe:
The Financial Market Authority of Austria
Address: Otto Wagner Platz 5, A-1090, Vienna
E-mail: fma@fma.gv.at

AUDITOR
KPMG Baltics AS
Address: Vesetas iela 7, Riga, Latvia, LV-1013
Licence No. 55
E-mail: kpmg@kpmg.lv

SHAREHOLDERS

The sole shareholder of the Company is Vienna Insurance Group AG Wiener Versicherung Gruppe (VIG) with close to 200 years of experience in the insurance business. VIG has more than 25,000 employees in 50 insurance companies and is represented in 30 countries. VIG is a clear market leader in its Central and Eastern European markets, and takes care of more than 22 million customers. VIG has an A+ rating with stable outlook from the well-known rating agency Standard & Poor's. The Vienna Insurance Group is listed in both Vienna and Prague stock exchange. Wiener Städtische Versicherungsverein – a stable core shareholder with a long-term focus – owns around 70% of VIG's shares. The remaining shares are in free float.

Table A.1.1. The Company's shareholding structure

Shareholders	31.12.2020		31.12.2021	
	Number of shares	Shareholding	Number of shares	Shareholding
Vienna Insurance Group AG Wiener Versicherung Gruppe (hereafter - VIG)	416 094	100 %	416 094	100 %

Detailed information on VIG and group structure (in the form of an image) is available on VIG web page: https://www.vig.com/en/vig/group/profile.html

MATERIAL LINES OF BUSINESS AND MATERIAL GEOGRAPHICAL AREAS OF THE COMPANY

The Company was registered in 28 October 2014 in Riga, Latvia. The head office of the Company is located in Riga, 11 Sporta Street, Republic of Latvia.

The Company has two foreign branches – in Estonia (address: Lõõtsa 2B, Tallinn, 11415) and in Lithuania (address – Viršuliškių skg. 34, Vilnius, LT-05132).

The amount of GWPs is geographically distributed as follows: 51% in Lithuania, 37% in Latvia and 12% in Estonia.

The company offers a broad range of non-life insurance products to corporate and private entities – since 2015, the Company has all the following non-life insurance licenses:
- motor insurance (CASCO);
- motor vehicle liability insurance (incl. compulsory insurance on third party motor vehicle liability – MTPL);
- health insurance;
- property insurance against fire and natural forces;
- property insurance against other damages;
- general liability insurance (GTPL);
- miscellaneous financial loss insurance;
- goods in transit insurance;
- accident insurance;
- assistance (travel) insurance;
- railway rolling stock insurance;
- marine insurance;
- liability for ships insurance;
- aviation insurance;
- aircraft liability insurance;
- suretyship insurance;
- credit insurance;
- legal expenses insurance.

For the insurance market year 2021 was challenging from many other perspectives – due to Covid-19 pandemic restrictions switching between remote and on-site work, fluctuations in energy resource prices and changing weather conditions were some of the main challenges this year not only for insurance industry but for nearly all companies in Baltics. However, the Company dared to innovate and offered clients several new and innovative solutions. For instance, BTA eMed remote medical visits and DriveX – artificial intelligence-based solution for insurance policy procurement process. Both of these solutions help to save our clients' time, are convenient and help to get preferred result faster. Covid-19 pandemic showed that new innovations in technology are here to stay, that is why the Company is paying a lot of attention in this field.

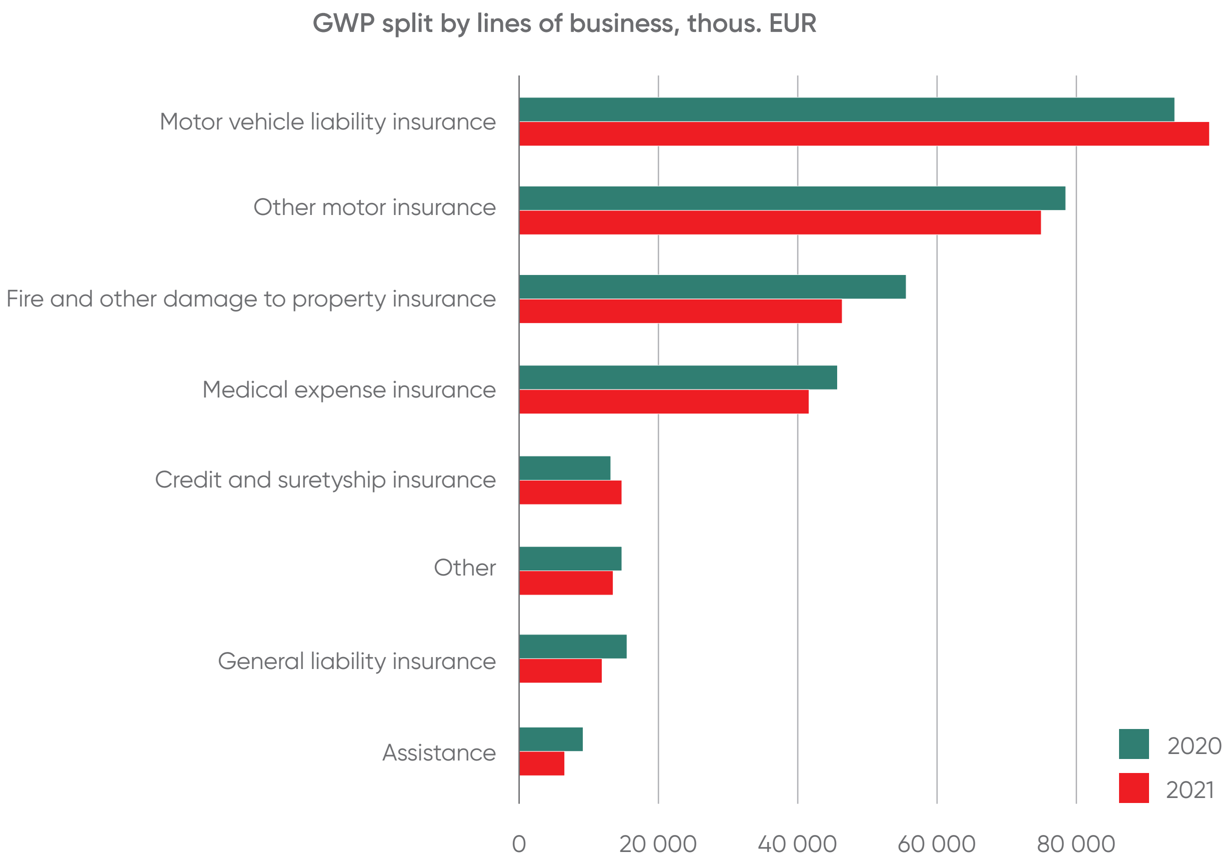
Despite all the challenges facing the Company during the reporting year, the Company was successful in reaching its financial goals. The total profit before tax reached EUR 9.6 million while net profit in the year 2021 amounted to EUR 8.3 million, which was 34% less compared to extraordinarily good financial result reported in year 2020.

A.2 Underwriting Performance

During year 2021, following softening of the Covid-19 pandemic-imposed restrictions, the social and economic activity increased, and so did consumer and corporate demand for insurance products. On the other hand, the price competition that intensified in year 2020 after the introduction of restrictive measures 2020 in the Baltic States, persisted in the reporting year, most notably in Motor insurance business. Nonetheless, the Company managed to retain its premium volumes in Motor insurance lines and to underwrite significantly higher premium volume in such lines of business products as Health insurance and Property insurance.

The Company's gross written insurance premiums (after mandatory fees) amounted to EUR 219 million in the Baltic States, constituting growth by 6% compared to the results of year 2020. Acute price competition contributed to no changes in premium volumes in Motor insurance lines (total): premium growth in CASCO insurance premiums by 5% almost compensated for the lower premiums in motor third party liability insurance (MTPL) by 5% in the reporting year compared to 2020. The Company showed excellent growth of premium volumes in other key insurance lines of business, particularly in Property insurance (+20%), Accident insurance (+14%), and Health insurance (+10%). Thanks to cautious recovery of tourism in year 2021, Assistance insurance saw a revival and demonstrated a growth of 45% compared to 2020.

A.2.1. image. GWP split by lines of business, in thousand EUR



Business recovery was quickest in Lithuania, and the Company achieved the premium volume of EUR 112.0 million there, a strong growth of 9% compared to year 2020 premiums. Premium development in Estonia was similarly active, with the Company underwriting EUR 26.7 million (+7% compared to year 2020 volume), while in Latvia adverse market conditions allowed the Company to increase its premiums only by 1% compared to the previous year and to achieve the premium volume of EUR 80.1 million.

To reduce the concentration risk in one country, the Company continues to develop operations in all Baltic countries. As a result, in the reporting period, 38.5% of all business (by net earned premiums) was conducted in Latvia, 49% in Lithuania and 12.5% in Estonia.

A.1.1. table. Underwriting result, thousand EUR

	2021	2020
Premiums written		
Gross - Direct Business	218 804	206 814
Reinsurers' share	52 347	51 405
Net	166 457	155 409
Premiums earned		
Gross - Direct Business	209 030	204 642
Reinsurers' share	50 020	50 408
Net	159 010	154 233
Claims incurred		
Gross - Direct Business	143 897	129 628
Reinsurers' share	31 434	29 383
Net	112 463	100 245
Total expenses incurred	39 887	42 218
Underwriting result	6 660	11 770

EFFECT OF RISK MITIGATION ACTIVITIES ON THE UNDERWRITING RESULT

In order to reduce risk, Company's risk underwriting is based on risk diversification, which ensures a balanced portfolio in the long term. The Company monitors results by products in order to identify the emergence of negative trends in a timely manner and to take measures required to improve business performance and adjust the risk level in accordance with the strategy and the annual plan.

The Company reinsures a part of underwritten risks in order to control its exposure to losses and protect own capital. It purchases the obligatory and facultative reinsurance coverage to reduce the net exposure and not to exceed the actual margin of solvency. The Company also buys reinsurance treaties for the main lines of its business that protect the Company from any cumulative losses that may arise from multiple claims resulting from the same event.

Ceded reinsurance contains credit risk, and such reinsurance recoverable is reported after deductions for known counterparty insolvencies and uncollectible items. The Company monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements periodically.

Risks are ceded to the (re)insurance companies with a sound reputation taking into account internal and VIG guidelines. The decision of choosing a cooperation partner with a rating below A- level by Standard and Poor's, Moody, Reuters, A.M. Best and Fitch, upon evaluating all risks, is coordinated with the Management Board and VIG Security Committee.

Reinsurance companies settle their obligations in the time period of 30 days. Reinsurance agreements also stipulate for cases when upon the insurance indemnity exceeding a certain amount, the reinsurance claim is paid immediately.

During the reporting period, there have been no cases where a reinsurance company has not fulfilled its obligations to the Company.

A.3 Investment Performance

When making financial investments in fixed-interest securities, real estate, investment fund shares, share capital of other companies, and loans, the Company assesses the impact of the particular investment on its solvency. The total amount of investments of the Company has not changed significantly during the reporting year - it has slightly increased from 275.5 million EUR to 276.7 million EUR.

The Company adhered to conservative approach in its investment policy, primarily using low-risk assets. Due to low-interest rate development during 2021, the Company decided to move into more illiquid assets, primarily focusing on real-estate development, which is visible in Holding in related undertakings, including participations, increasing to 6.7% of total assets in 2021. In 2021 the Company continued to increase investments in different fund vehicles, increasing Collective Investments Undertakings by more than 4%, at the end of 2021 reaching 12.2% of total asset volume. Additionally, cash and cash equivalents have decrease significantly because of the Company's initiative to lower money-holding fees within the company, but that does not affect Company's liquidity, as 36% of total assets are held as government bonds of high investment grade (from A to AAA according to Standard & Poor's classification).

A.3.1 table. Investment structure, thousand EUR

Asset position	code	2020	2021	Changes in 2021	In 2020, % of total assets	In 2021, % of total assets
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	**232 925**	**251 782**	**18 857**	**69.10%**	**73.50%**
Property (other than for own use)	R0080	1 403	1 676	273	0.40%	0.49%
Holdings in related undertakings, including participations	R0090	2 815	22 942	20 127	0.80%	6.70%
Equities (all listed)	R0100	506	534	28	0.20%	0.16%
Bonds	R0130	201 997	184 982	-17 015	59.90%	54.00%
Government Bonds	*R0140*	*149 271*	*123 433*	*-25 838*	*44.30%*	*36.03%*
Corporate Bonds	*R0150*	*52 726*	*61 549*	*8 823*	*15.60%*	*17.97%*
Collective Investments Undertakings	R0180	26 204	41 648	15 444	7.80%	12.16%
Loans and mortgages	**R0230**	**11 140**	**15 127**	**3 987**	**3.30%**	**4.42%**
Cash and cash equivalents	**R0410**	**31 397**	**9 831**	**-21 566**	**9.30%**	**2.87%**
Total investments		**275 462**	**276 740**	**1 278**	**81.70%**	**80.79%**
Total assets	**R0500**	**337 033**	**342 541**	**5 508**	**100%**	**100.00%**

The result of investment activities in 20201 was 2.71 million EUR (in 2020 it was 1.80 million EUR). Main drivers of the increase were increased Interest income and realized revaluation reserves, as well as positive currency development compared to last year. Significant increase of Investment management charges can be explained by new real estate project development.

Taking into account the revaluation of assets according to Solvency II principles, the eligible own funds in 2021 have decreased by 4 441.3 thousand EUR, of which 707.2 thousand EUR were realized as profit when sold.

Table A.3.2. Investment income/gains and losses in the period, thousand EUR

Asset category	Interest		Dividends		Rent		Net gains and losses		Unrealized gains and losses	
Year	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**
Government Bonds	818.7	647.3		0.0		0.0	12.9	568.0	6 417.9	2 588.0
Corporate Bonds	1 226.9	797.1		0.0		0.0	19.6	110.2	1 854.9	440.4
Cash and deposits	0.0	0.0		0.0		0.0				
Mortgages and loans	263.8	318.8		0.0		0.0				
Properties		0.0		0.0	110.2	119.1				
Collective investments undertakings			573.4	865.6			36.1	29.0	-116.3	716.8
Total	**2 309.4**	**1 763.2**	**573.4**	**865.6**	**110.2**	**119.1**	**68.6**	**707.2**	**8 156.5**	**3 745.2**

During the reporting period, the Company made no investments into securitisation.

A.4 Performance Of Other Activities

In the reporting year, the Company had no other material income or expense from activities not related to insurance activity or investing.

The Company's annual report provides detailed information on the Company's investments in the capital of other companies. As at 31 December 2021, subsidiaries and associates are booked in the financial statements using the cost method. Based on the management's impairment analysis as at 31 December 2021, no impairment has been identified.

A.5 Other Information

All the relevant information on the Company's business and results is disclosed in Sections A.1-A.4.

B. System Of Governance

B.1. General Information On The System Of Governance

The Company has established a governance system that is relevant to the character, size and complexity of its operations, based on a transparent organizational structure with clearly defined distribution of obligations, rights and responsibilities, as well as a well-designed information management system.

The Shareholders' meeting, the Supervisory Board and the Management Board according to requirements of the Articles of Association of the Company, external regulatory enactments and internal regulatory documents execute the governance of the Company. To guarantee that the Company is managed and supervised in a professional way, it is maintained that the Supervisory Board and the Management Board together have sufficient experience and knowledge regarding all essential Company's operation segments and risks, as well as that each Management Board member possesses a proper qualification, knowledge, skills and professional experience to accomplish the assigned tasks.

There were no material changes in the Company's governance system during the reporting period.

<u>SUPERVISORY BOARD</u>

The Supervisory Board represents the interests of shareholders and supervises the operations of the Management Board including supervision of the Company's Management board ensuring efficient governance system establishment and operations. The Supervisory Board determines the company's development and operational strategy, as well as approves the budget and the policies, including defined risks, the company is willing to undertake, and the acceptable risks margin, supervises the company's Management board establishing efficient risks management system to ensure continuous management of current and prospective risks, risk groups management and supervision of the interaction of different risks. The Supervisory Board makes decisions regarding all significant business transactions, which are not included in the Company business plan.

At the end of the reporting period, the Supervisory Board is composed of six members elected by the Meeting of shareholders. Supervisory Board meetings occur at least four times a year, it takes at least three members of the Supervisory Board to reach a quorum.

Members of the company's Supervisory Board and their positions held:
- Harald Riener – Chairman of the Supervisory Board (from 08.07.2021.);
- Gabor Lehel – Deputy Chairman of the Supervisory Board (from 08.07.2021.);
- Franz Fuchs – Deputy Chairman of the Supervisory Board;
- Peter Franz Höfinger – Chairman of the Supervisory Board (until 08.07.2021.); Member of the Supervisory Board (from 08.07.2021.);
- Jan Bogutyn – Member of the Supervisory Board;
- Artur Borowinski – Member of the Supervisory Board;
- Elisabeth Stadler – Deputy Chairlady of the Supervisory Board (until 06.06.2021.).

MANAGEMENT BOARD

The Management Board is composed of four members elected by the Supervisory Board. Each Management board member is assigned to supervise certain operational areas in line with its competence in the organizational structure. The Company avoids making unilateral decisions, which have material impact on the Company's business strategy, operations and management, or which have material impact on the Company's finances, employees or policyholders and insured persons.

The Company's Management Board is responsible for governance system establishment, implementation, management and improvements, as well as for efficient operations of risks management system.

Company Management Board members and their positions held during the reporting period:
- 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.

COUNTRY LEVEL GOVERNANCE OF BUSINESS:

Latvia
Latvian Management Team is established to be in charge of the business and operations in Latvia.

Branch in Estonia
A branch director is responsible for the business and operations in the branch. Estonian Branch director reports to the Deputy Chairman of the Management Board.

Branch in Lithuania
A branch director is responsible for the business and operations in the branch. The director is also a member of the Management Board. Additionally in Lithuania, local Executive Board is established.

THE COMPANY'S COMMITTEES

AUDIT COMMITTEE

The committee operates since 2017 according to the requirements of the Financial Instruments Market Law. The main task of the committee is to supervise annual report preparation process with the aim to increase the credibility of the information provided within the financial report, as well as to assess and to propose sworn auditor candidates for approval of the Supervisory Board.

INVESTMENT COMMITTEE

The Investment committee started to operate from the beginning of 2019. It approves investment decisions, reviews investing activity results, as well as reports the investing results and investment strategy performance to the Company's Management Board on a regular basis.

TARIFF COMMITTEES

Tariff committees started to operate in all Baltic countries since the beginning of 2019. The Tariff Committees are collegiate entities, established to execute the risk underwriting strategy of the Company. The main task of the Committees is to monitor the profitability of mass products and to check and approve propositions of change in tariffs.

The company has not established other committees.

KEY FUNCTIONS

The Company appoints employees (company unit managers) in charge of key functions – risk management, compliance, actuarial and internal audit functions, who regularly review and evaluate the implementation of the functions they are in charge of, information exchange and decision-making procedure, and inform the Management Board regarding necessary improvements or changes.

The Company ensures that entrusting a number of tasks to individuals and organizational units does not interfere with correct, fair and objective performance of particular function.

To ensure sustainable and reliable functioning and supervision of the governance system, as well as compliance, the Company has developed internal regulatory documents capturing the key principles and procedures to be observed by the employees of the Company.

Risk Management function

Risk Management function is performed by Quality and Risks Management Department director, who is in charge of implementation and maintenance of risk management system providing continuous, systematic and timely reaction.

The following tasks are completed within risk management functions:
- providing the Management Board with reports on exposure of risks, as well as consulting the Company's Management Board and organizational units on the matter of risk management, therefore, aiding the Company's Management Board to effect risk management system efficiently;
- ORSA processes coordination and preparation of ORSA report;
- upon close cooperation with the actuary function, monitoring of risk management system and the overall risk profile;
- investigation of reported incidents and their documentation in the Risk Event register;
- maintenance and updates of the risk register;
- Identification and assessment of risks.

Compliance function

The Director of Legal department performs compliance function in the Company and in scope of Compliance function activities ensures the following:
- the Company is aware of and complies external regulatory requirements;
- coordination and control of compliance risk identification and assessment process;
- monitoring of compliance risk profile and implementation of risk mitigating measures, in case the current control measures are assessed inefficient.

Actuarial function

Chief Actuary of the Company is in charge of execution of actuarial function. Further information in detail is provided in Section B.6.

Internal audit function

Internal audit manager is in charge of execution of internal audit function. Further information in detail is provided in Section B.5.

CHANGES IN THE GOVERNANCE SYSTEM OF THE REPORTING YEAR

There were no material changes in the Company's governance system during the reporting period.

REMUNERATION POLICY

The Company's remuneration policy is based on the following key principles: internal fairness, remuneration meeting market requirements, equal approach, and enhancing staff activity focused on achievement of the Company's long-term operational goals.

The proportion of base salary and variable part of remuneration in the total remuneration of employees is set to motivate the employees to reach the set goals, adhere to long-term interests of the Company and improve their professional qualification in order to provide a better work performance. The remuneration system balances the elements of remuneration in order the base salary would constitute a sufficient part of the total remuneration and the staff would not be overly dependent on the variable part of remuneration.

Short-term employee benefits, including salaries, social security contributions, bonuses and holiday payouts are included in net operating expenses according to the accrual principle at the time the service is provided. The Company pays a contribution to the social fund for each employee for a specified period during the entire period of employment in accordance with the requirements of the law, and the Company has no obligation to make further contributions to the services provided by retired employees.

MATERIAL TRANSACTIONS WITH THE RELATED PARTIES

Transactions with the related parties (persons, who effect considerably the company, governance, management or supervisory company unit members) are performed in accordance with the general Company operational principles and market prices (arm's length principle).

Table B.1.1. Transactions with related parties – reinsurance, thousand EUR

	2020	2021
Vienna Insurance Group AG Wiener Versicherung Gruppe	-630	4 379
VIG RE zajišt'ovna a.s.	-580	-1 661
DONAU Versicherung AG Vienna Insurance Group	-2	-72

(Detailed information is available at the Company's annual report for 2021)

Table B.1.2. Transactions with related parties – other transactions, thousand EUR

	2020	2021
Vienna Insurance Group AG Wiener Versicherung Gruppe	**-780**	**-923**
Interest expense for subordinated liabilities	-378	-378
Other expense	-402	-545
Compensa Towarzystwo Ubezpieczeń Spolka Akcyjna Vienna Insurance Group	**-54**	**-346**
Claims handling costs	-54	-346
KKB Real Estate SIA	**155**	**159**
Interest income from a loan	155	159
Global Assistance Baltic SIA	**-**	**-273**
Claim handling costs	-	-392
Other expenses	-	-165
Other income	-	284
Seesam Insurance AS Lietuvos filialas	**-**	**53**
VIG FUND, a.s.	**48**	**54**
Interest income from loan	4	4
Dividend income from investment in shares	44	50

(Indicated only transactions, where the net amount is EUR 50 thousand and above. Detailed information is available at the Company's annual report for 2021)

Table B.1.3. Balances of related companies, thousand EUR

	2020	2021
Receivables	**53 654**	**67 803**
Vienna Insurance Group AG Wiener Versicherung Gruppe	41 857	45 311
VIG RE zajišt'ovna a.s.	1 479	762
VIG FUND, a.s.	2 454	4 809
Atrium Tower Sp. z o.o.	1 350	1 350
KKB Real Estate SIA	5 899	6 755
Urban Space SIA	506	506
Global Assistance SIA	100	107

Continued table

Alauksta 13/15 SIA	3	664
Artilērijas 35 SIA	3	701
Ģertrūdes 121 SIA	3	2 320
Hymel Sp.z.o.o.	-	4 504
LiveOn Linkmenu UAB	-	14
Payables	**49 457**	**51 046**
Vienna Insurance Group AG Wiener Versicherung Gruppe	48 982	50 407
VIG RE zajišt'ovna a.s.	475	639

The payment terms of loans issued to VIG FUND, a.s. and Atrium Tower Sp. z.o.o. is 31 December 2030 and annual interest rate is 2.5%. Loans issued to Ģertrūdes 121 SIA, Alauksta 13/15 SIA and Artilērijas 35 SIA matures 31 December 2031 with annual interest rate of 2.25%. Loan to Hymel Sp.z.o.o. matures 31 December 2031 with an interest rate of 2.35%. Loan to LiveOn Linkmenu UAB matures on 8 August 2031 with an interest rate of 2.5%, while the payment terms of two loans issued to KKB Real Estate SIA are 31 March 2030 and 9 September 2031, with annual interest rate of 2.55% and 2.4% respectively.

In addition, assets due from VIG FUND, a.s. include investment in the share capital of VIG FUND, a.s. in amount of 4 809 thousand EUR (2020: 2 454 thousand EUR), which is included in the Statement of Financial Position under Available-for-sale instruments caption.

Payables due to Vienna Insurance Group AG Wiener Versicherung Gruppe include:
- Subordinated loan in amount of EUR 1 500 thousand (2020: EUR 1 500 thousand) that has been acquired as a result of reorganisation of InterRisk Vienna Insurance Group AAS. The payment term of this loan is 28 December 2025 and annual interest rate is 5%. Accrued interest expense as at 31 December 2021 amounted to EUR 0 (2020: EUR 0);
- Subordinated loan in amount of EUR 5 500 thousand which was received on 27 December 2018 with annual interest rate of 5.5%. The loan shall be repaid on tenth anniversary of the receipt of the loan. Accrued interest expense as at 31 December 2021 amounted to EUR 3 732 (2020: EUR 3 732).

B.2 Fit And Proper Requirements

The operation of the Company's units is governed by regulations defining company unit goals, tasks and governance procedure, and an integral part of each employee's employment contract is job description.

When defining the requirements of professional qualifications, competences and being proper for the position, only requirements that are necessary to perform the duties of a particular position are included.

The following minimum criteria are applied with respect to management board members:
- university education in finance, economics, management or legal sciences or another area, requiring specific knowledge for good performance of the duties assigned;
- at least 5-year experience of working in leading positions in financial institutions in areas that the management board member is in charge of;
- impeccable reputation and outstanding work results in previous positions;
- the fit and proper assessment of Supervisory and Management board members evaluates their professional qualifications, knowledge and experience.

The following minimum criteria are met for the persons responsible for the key functions:
- employee has a sufficient competence in the area for which it is responsible and is able to ensure that the Company's governance is carried out in such a way that this company is capable of carrying out insurance or reinsurance on a regular, professional, qualitative and in accordance with the requirements of regulatory enactments;
- employee has the required education and at least three years of work experience in the field;
- impeccable reputation;
- employee is not and has never been deprived of the right to engage in commercial activities.

The fit and proper assessment of persons for their position is conducted upon starting employment or assuming post, in the case of re-election, of changing the areas of responsibility, as well as in cases of identification of any conditions raising doubt in a person's further fitness and propriety for performance of its duties.

B.3. Risk Management System, Including Own Risk And Solvency Assessment (ORSA)

The Company's risk management system encompasses:
- insurance underwriting risk management;
- market risk management,
- credit risk (counterparty default risk) management,
- operational risk management, including compliance risk management, information security and business continuity risk management.
- as well as risks that are not covered under the solvency capital requirement, i.e. liquidity risk, strategic risk and reputation risk management.

Each of the aforementioned areas have clearly defined risk management principles and responsible company units and persons.

Baltic Underwriting Department manages underwriting risks – on a regular basis, analyses risk underwriting results, prepares reports to the management board and conducts necessary activities to improve risk underwriting management and risk level adjustment in line with the strategy and annual plan.

Actuarial Department takes care of setting technical provisions, analysis and calculation of solvency capital requirements and their assessment, as well as conducts ORSA quantitative estimates according to the standard formula, monitoring and their compliance with the standard formula, as well as the regular Solvency II reporting to supervisory institutions.

Reinsurance Department performs reinsurance risk (including credit risk, related to reinsurance activity) management.

Finance Department and Investment Division perform market risk, credit risk and liquidity risk management.

Quality and Risk Management Department conducts operational risk management, as well as risk management functions and coordinates ORSA process.

The Company performs ORSA once per a calendar year. The assessment results are used in strategic and operational planning, budget planning, as well as cases, when any significant changes in the Company's operation are contemplated.

The Company monitors its risk profile on a regular basis. It conducts a full solvency capital requirement calculation once a quarter, as well as regular stress testing, sensitivity testing, and in case the actual figures differ from ORSA forecasts significantly evaluates if new ad-hoc ORSA is necessary.

The Company conducts ORSA assessment each year, identifying and assessing the possible impact of various exceptional but possible adverse events or changes in market conditions on the Company's ability to fully comply with its obligations under insurance contracts and to ensure the stability of financial operations.

The Company's management board approves testable factors and scenarios for ORSA, identifying significant risks, which may affect the Company's solvency capital value, financial operation stability and ability to comply with liabilities completely and the respective risk factors.

Within ORSA process actuarial function performs approved sensitivity tests (unfavorable change effect determination for particular risk factors) and scenario tests (several risk factors simultaneous unfavorable change effect determination).

Upon cooperation of actuarial function and risk management function, ORSA is performed and results are submitted to the Company's management board for approval.

Based on the assessment prepared, the Company's management board makes a decision regarding the actions to be undertaken in case of occurrence of the mentioned events or market condition changes on particular conditions, measures and further actions.

In addition to annual ORSA, Company's management board makes decisions on ORSA performance in case, when circumstances that may affect the Company's solvency considerably arise.

B.4 Internal Control System

For effective internal control system functioning purposes, the Company documents the essential processes and controls, as well as roles, obligations and responsibilities, which sustains compliance of the level of quality of the Company's provided services to the established standards and requirements of regulatory enactments.

At least once a year Company performs an Internal Control System (ICS) assessment, which is intended to reduce operational risk and achieve the targets of BTA. The Company's management and heads of structural units participate in the ICS assessment process, by identifying all relevant operational risks, assessing the existence of their controls and assessing the remaining risk.

To avoid the potential conflicts of interest, the Company makes sure that a single employee does not have full control over performance of a function.

The Company relies on a risk-based approach in introduction of control measures, furthermore, the preference is as much as possible given to introduction automated controls – by employing technologies, developing control activities and effective management of information system user rights.

The functions of internal control are independent from the Company's business operation that they control. Person who performs internal control functions in the Company:
- is entitled at his or her own initiative freely to contact employees and to access, without limitations, information, required for internal control;
- is provided and granted by the management board any required authorities, information, support, objectiveness and independence;
- possesses appropriate qualification, competence and experience to perform the particular internal control, as well as has had the necessary training.

For realizing the compliance function, the Company has developed a compliance policy, which defines compliance function duties, authorities and reporting obligations. Each year the Company develops an action plan for maintaining compliance, according to the Company's exposure to compliance risk.
The compliance function assesses compliance risk within the framework of annual operational risk and internal control system assessment process, establishing whether the non-compliance prevention measures adopted by the Company are sufficient.

B.5 Internal Audit Function

The Internal audit function does not participate in business operations which control is performed by the function, neither does the internal audit have any rights to define Company's accounting and control procedures and give orders to other Company's employees.

On a regular basis, the Internal audit provides quarterly reports to the Company's Supervisory Board and Audit committee on its operating results – conducted audits, their results, as well as implementation statuses of audit recommendations.

The strategic audit plan includes all processes of the Company and company units within it.

B.6 Actuarial Function

Actuarial function in the Company is provided by the Chief Actuary, who coordinates calculation of technical provisions, including development of methodologies and procedures, as well as is in charge of Solvency II calculations and reporting and ORSA calculations.

The Chief Actuary coordinates and evaluates, whether the methodologies and assumptions, as well as adequacy and quality of data used in calculation of technical provisions, are appropriate for the company's particular business lines and business management style, according to the available data, as well as whether the information technology systems, used in calculation of technical provisions, support calculation procedures to a sufficient degree.

Comparing the Best estimate to experience, the actuarial function reviews the quality of the previous Best estimate and uses the conclusions in the current assessment to improve the quality of the current calculations. Comparison of the Best estimate to experience includes comparisons between the established values and the underlying assumptions of the best estimate calculation, to make conclusions regarding the relevance, accuracy and completeness of the data and assumptions used, as well as regarding the methodologies used for their calculation.

The actuarial function prepares a report on technical provisions calculation, including an argument-based analysis regarding technical provision calculations, credibility and relevance and regarding technical provisions estimate sources and the level of uncertainty. This analysis is also supported by sensitivity analysis, which includes inspecting the sensitivity of technical provisions to each major risk, underlying the liabilities, covered by the technical provisions. The actuarial function clearly indicates to and explains all concerns that it may have with respect to the adequacy of technical provisions.

The opinion of the actuarial function regarding risk underwriting includes conclusions about:
- sufficiency of earned premiums to cover further insurance claims and expenses;
- the effects of inflation, legal risk, changes in the company's portfolio composition and systems adjusting the premiums paid by policyholders upwards or downwards depending on their insurance claims history (bonus-malus systems) or similar systems, exercised in particular homogenous risk groups;
- upward trend of insurance contracts portfolio to acquire or retain insured persons having a higher risk profile (negative selection).

With respect to general reinsurance transactions, the opinion, made by the actuarial function, includes analysis of the Company's risk profile and underwriting policies, including about:
- reinsurance providers taking into account their creditworthiness;
- the expected cover under stress scenarios with respect to underwriting policy;
- calculation of recoverable amounts under reinsurance contracts.

The actuarial function, minimum once a year, prepares a written report to be provided to a governance, managerial or supervisory institution. The report includes documented all the tasks, performed by the actuarial function, and their results, and clear indications to all deficiencies, and provides suggestions as to how these deficiencies should be remediated.

B.7 Outsourcing

The Company makes decisions on outsourcing based on economic considerations, assessing the available and necessary internal resources and costs to sustain the required function or activity, as well as the potential outsourcing providers, costs and associated risks.

The Company determines the scope of the required outsourced service and detailed quality requirements, compliance to which is constantly monitored during performance for timely identification and response to any negative tendencies in service provision.

At the end of 2021, the Company outsources only some information technology maintenance services, and asset management in limited amount, all outsourcing agreements are coordinated with the Financial and Capital Market Commission.

The outsourcing services providers are mainly the Baltic an Austria based companies. The company in Lithuania is engaged for providing information technology maintenance services to the Lithuanian branch. As of 2019, a small part of asset management has been outsourced to an Estonian based company.

B.8 Other Information

The Company's governance system is appropriate for management of risks related with Company's lines of business and its scale and complexity.

There is no other relevant information to disclose.

C. Risk Profile

Table C.1. Market risk split by risk components, thousand EUR

Risk category	Solvency capital requirement (SCR)		
	31.12.2020	31.12.2021	Changes in 2021
Non-life underwriting risk	34 279	35 572	1 293
Market risk	15 628	22 240	6 612
Counterparty risk	7 192	4 231	-2 961
Health underwriting risk	4 790	5 321	531
Life underwriting risk	2 527	2 348	-179
Diversification	-17 935	-19 587	-1 652
Basic solvency capital requirement	**46 481**	**50 126**	**3 645**
Operational risk	6 139	6 271	132
Loss absorption capacity of deferred taxes	-1 700	-1 529	171
Solvency capital requirement (SCR)	**50 920**	**54 867**	**3 947**

According to operational peculiarities of the Company, for the main part of Company risk profile accounts non-life insurance underwriting risk and market risk. Counterparty default risk at the end of the reporting year is significantly lower because of decreased outstanding cash balance. Life insurance underwriting risk appears with regard to annuities stemming from non-life insurance business.

During the reporting period, the impact of market risk on the risk profile increased (+ EUR 6.6 MM) due to the changes in the investment structure described in A.3. section. The total solvency capital requirement has increased by EUR 4 million at the end of the reporting period.

C.1 Underwriting Risk

By conducting insurance activities, the Company faced insurance underwriting risk, constituted by three components:
- non-life insurance underwriting risk
- vhealth insurance underwriting risk (incl. accident insurance)
- life insurance underwriting risk. As the Company is a non-life insurance service provider, the life insurance underwriting risk appears due to claim liabilities under the Compulsory Civil Liability Insurance of Owners of Motor Vehicles (MTPL).

The scope of underwriting risk, calculated by standard formula, is shown in Annex 8, Template S.25.01.21. Annex 2, Template S.05.01.02 displays written premiums, claims and expenses by lines of business in thousands EUR.

To reduce underwriting risk, the basis of underwriting strategy is risk diversification and selection of an appropriate reinsurance programme, which provides a balanced portfolio of risks, based on big amount of equal risk portfolios, which are held for several years. Company carries out accurate and regular monitoring of products, so it can respond to trends, which does not correspond to approved strategy, in time.

Risk management of underwriting risk is conducted by:
- insurance product regulation development and renewal;
- regular pricing review, to ensure Company's goal achievement;
- supervision of sales and insurance compensations paid on daily basis, to see if they correspond to planned results;
- preparation of reports and analysis (about insurance product sales, lost ratios and so on) on regular basis;
- regular provision sufficiency analysis, thus controlling and managing the provisions risk;
- conducting the annual Risk Inventory.

The Company, when planning its activities, determines the preferred distribution of the insurance portfolio between business lines and regularly checks compliance with the planned volumes both at the time of underwriting the risk and preparing regular reports.

To reduce underwriting risk the Company carries out regular monitoring of underwriting results –gross/net premiums and gross/net paid claim actual and planned data is compared, and also conditions which influenced results are analysed – external environment processes, like market changes, situation changes in economic or politic situation, changes in law etc., internal environment in the Company is analysed as well. The Company prepares overviews on certain insurance products and sales channels, taking into account internal and external influence. To reach strategic goals, based on the results of the analysis, the Company decides on its pricing policy, methodology and ensures risk diversification in priority segments (client, product, geographic). The Company uses reinsurance to reduce loses which may occur in case of insurance risk concentration and to deliver stable financial result, minimising the impact of large claims. By using reinsurance, Company's part in the risk either for one object, either for one event, in which losses may be caused for several objects at the same time.

C.2 Market Risk

The Company defines the market risk as a risk of a financial loss or negative change in the Company's financial position, which arises from fluctuations in market prices of assets, liabilities and financial instruments. According to the standard formula, the market risk is divided into several components, which include interest rate risk, equity risk, property risk, spread risk, market risk concentration risk, and currency risk.

According to the standard formula assessment, the market risk for the Company as of the end of year 2021 amounts to 22.2 million EUR (end of 2020: 15.6 million EUR). The increase of the SCR for the market risk is due to a number of factors, as the main reason being active development of real estate portfolio, which can be seen in the significant increase of Equity and Property risk. Due to corporate bond and corporate bond fund share increase in the portfolio, spread risk has also increased by 2.1 million EUR compared to the year prior.

Market risks are controlled in accordance with the Investment and Risk Strategy, Asset and Liability Management Policy, as well as the Capital Management Policy.

Table C.2.1. Market risk capital requirement, in thousand EUR

Type of risk	Capital requirement		
	31.12.2020	31.12.2021	Changes in 2021
Market risk	**15 628**	**22 240**	**6 612**
Interest rate risk	6 946	6 280	-666
Equity risk	2 955	7 925	4 970
Property risk	6 965	7 938	973
Spread risk	5 615	7 753	2 138
Market Risk Concentration	2 304	3 477	1 173
Currency risk	594	584	-10
Diversification	-9 751	-11 717	-1 966

In 2021, the Company continued the focus of 2020 to increase asset diversification, which is thereby reflected by diversification effect increasing by 2 million EUR compared to 2020.

Concentration risk has increased because BTA has increased share in strategic and VIG group related investments that are excluded from total exposure, which is applied in standard formula in threshold calculations. Concentration risk in the amount of 2 304 thousand EUR results from 3 asset groups – Polish and Lithuanian government bonds which are required for asset and liability currency matching and investments in entities in Latvia (owned by government) – Altum, Airbaltic, Latvenergo.

Table C.2.2. The amount of assets split by their sensitivity to certain types of market risks, thousand EUR

Risks category	Amount of assets, sensitive to the respective risk		Changes	
	31.12.2020	31.12.2021	thousand EUR	%
Market risk	**253 010**	**274 475**	**21 465**	**8%**
Interest rate risk	202 601	213 883	11 282	6%
Spread risk	81 622	100 584	18 962	23%
Property risk	27 861	31 754	3 893	14%
Equity risk	7 687	31 970	24 283	316%

To regulate the risk concentration in financial instruments, the Company has set investment limits for one counterparty and for groups of financial instruments, thus controlling the concentration risk and the solvency capital requirements.

Market risk is limited by diversifying the investment portfolio and analysing investments before acquisition, as well as ensuring their regular monitoring. Asset and liability matching by currencies and maturity structure is ensured in the scope of asset and liability management.

Investment committee is scrutinizing the investment performance, and making decisions on investing funds or disposal of assets in line with the limits defined in the Investment and risk strategy.

C.3 Credit Risk (Counterparty Default Risk)

Credit risk or counterparty default risk reflects losses or unfavourable changes in values of assets and financial instruments, which may occur during the upcoming twelve months due to unforeseen failure by a business partner or other debtor to settle their liabilities to the Company or due to a decrease of the credit rating of a business partner. Credit risk reflects potential losses, which may occur should the business partners and debtors fail to settle their liabilities or should their credit rating decrease.

The approved Investment and risk strategy, which the Company reviews at least annually, describes conditions for execution of investments, including maximum limits for cash outstanding balance in specific credit institutions. Reinsurance policy determines requirements and limits for reinsurance companies, defined in Reinsurance Policy and approved Reinsurance Programs.

The credit risk is controlled through establishing and complying with requirements for business partner ratings and cooperation limits, criteria for selection of business partner, through performing efficient debt collection, and, in case of insurance debtors, termination of the policy.

The credit risk, compared to the previous year, has increased by 780 thousand EUR. The major cause for it was increase of type 1 exposures by 1.08 million EUR, due to increase of cash balances with banks by 4.57 million EUR (from 26.82 million EUR to 31.40 million EUR). The current cash balance with banks sustains a sufficient level of liquidity, i.e. It is sufficient for timely discharge of commitments towards clients and partners (Section C.4).

Table C.3.1. Credit risk distribution and changes, thousand EUR

	31.12.2020	31.12.2021	Changes	
			thousand EUR	%
Credit risk	**7 192**	**4 231**	**-2 962**	**-41.18%**
Type 1 exposures (cash in credit institutions, reinsurers' liabilities)	6 831	3 712	**-3 119**	-45.66%
Type 2 exposures (brokers, policyholders, other debtors, etc.)	473	662	**189**	40.02%
Diversification within counterparty default risk module	-111	-143	**-31**	28.18%

Table C.3.2. Company's TOP10 exposures, thousand EUR

No	Counterparty group/Name of single name exposure	Exposure*
1	VIG GROUP	30 105.0
2	SOCIETY OF LLOYD'S	5 117.1
3	HDI HAFTPFLICHT DER DEUTSCHEN INDUSTRIE VAG	4 934.5
4	SWEDBANK GROUP	4 095.4
5	SCOR SE	3 294.1
6	SWISS RE GROUP	3 098.2
7	Skandinaviska Enskilda Banken AB	3 090.2
8	R+V VERSICHERUNG AG	2 319.3
9	RHINE REINSURANCE CO LTD/BERMUDA	1 915.6
10	ZURICH INSURANCE GROUP AG	1 708.6

**potential loss given default, calculated according to Solvency II principles.*

C.4 Liquidity Risk

Liquidity risk is a risk that the Company has no sufficient cash to settle its current liabilities without additional costs or time delay. This risk includes mismatch of maturity structure of assets and liabilities.

In accordance with the Company's investment strategy, the major part of financial investments has an active market and can be realized within short period with minimal or no costs. The investment and risk strategy also sets the minimal level of cash to ensure the Company's ability to settle current and potential liabilities. Taking into account the above mentioned, liquidity risk of the Company is evaluated as low. However, the Company continuously monitors the maturity structure of its asset and liabilities and observation of financial markets, as well as keeping a part of financial assets available at bank accounts.

The total amount of expected profit of the Company, included in future insurance premiums, at 31 December 2021 by Solvency II assessment principles was 2 929 thousand EUR.

C.5 Operational Risk

In order to cover operational risk, solvency capital requirement is calculated by means of a standard formula. The Solvency capital calculated with standard formula on covering operational risk is 6 271 thousand EUR as at 31.12.2021 (31.12.2020: 6 139 thousand EUR).

According to the annual own risk assessment the most significant operational risk categories were identified to be compliance risk, process and organizational risk and business disruption risk.

To reduce operational risk, the Company uses two different control strategies – preventive, for instance, determining access rights/authorization levels, and adjusting (oriented towards timely aversion of operational risk event and possible aversion of the risk event repeating), and identifying – oriented towards detection of operational risk event occurred. The Company develops internal regulatory framework for most significant processes and takes care of the employee training.

In order to ascertain that standard formula is appropriate, Company carries out Internal control systems annual assessment, to identify and measure operational risk assessment, (by identifying all operational risks and their controls, assessing frequency and severity of risks, in accordance with the procedure of the Internal Control System), thus identifying the Company's operational risk level and the necessary control activities to reduce it. The required capital to cover potential operational risks thus established is 2.13 million EUR, which is similar as in 2020 (2.03 million EUR). The Solvency II capital calculated with standard formula on covering operational risk three times exceeds the amount of capital required, according to expert judgement.

C.6 Other Material Risks

In risk identification and assessment, the Company has also identified and assessed the strategic risk (medium level), reputation risk (low level) and cyber risk (low level). The Company believes that, in the light of the corporate governance system and internal control system at the moment of evaluation, these risks are well controlled. Other material risks in addition to the above-mentioned have not been identified.

C.7 Other Information

For the purposes of stress tests and scenario analysis, the Company performs sensitivity analysis to determine the parameters whose fluctuations have the strongest impact on the solvency ratio. In addition, the Companies identify risks that may interfere with the achievement of turnover and profit objectives. When selecting the most significant risks and parameters that may cause the most significant negative impact on the solvency ratio, the Company performs stress tests and analysis of scenarios that combine these parameters. In addition, the Company has also performed reverse tests to determine the set of circumstances and risks that reduce the Company's solvency ratio to 100%, the Company assesses the probability of such a scenario as very low.

D. Valuation For Solvency Purposes

D.1. Assets

The total amount of the Company's assets on 31 December 2021 is 342 541 thousand EUR, break-up in asset positions is attached in Annex 1 template S.02.01.02.

There are the following differences between asset valuation for solvency purposes (as defined in Regulation 2015/35) and asset values in the financial statements:
- property positions (Assets for own use, Property), as for solvency purposes they are provided at market value, while in financial statements – at residual value (after amortization);
- loans are valued based on book value if pricing method is amortised cost method (observable inputs: cost-price; redemption price, effective yield) or based on theoretical value if pricing method is present value method where cash flows are known (observable inputs: issuer, sector and rating dependent yield curves);
- for solvency purposes, intangible assets and deferred acquisition costs are not included on the balance-sheet;
- recoverable amounts under reinsurance contracts – financial statements include the accurate amount of deferred indemnity payments and unearned premiums reserve, while for solvency purposes – the present value of forecasted future cash flows, including an adjustment for credit risk default.

D.2 Technical Provisions Assessment For Solvency II Purposes

Best estimate and risk margin are calculated in accordance with Regulation 2015/35 and in accordance with regulations issued by the Financial and Capital Market Commission and VIG Group guidelines, thus, amounts on 31 December 2021 altogether are available within the Company's balance sheet, in template S.02.01.02 in Annex 1, while template S.12.01.02 in Annex 4 and template S.17.01.02 in Annex 5 reflect the respective information allocated by types of insurance on life, health insurance and non-life insurance.

Best estimate is the sum of claims provisions best estimate and premium provisions best estimate. Life best estimate and non-life claim provisions best estimate differs from the IFRS (International Financial Reporting Standards) technical provisions due to discounting. The Company uses risk-free rates defined by EIOPA (The European Insurance and Occupational Pensions Authority) in accordance with Regulation 2015/35. The best estimate for premiums is calculated as forecasted cash flows, including cash flows as much as they pertain to current insurance and reinsurance contracts. The major cash flow positions are claim payments to policyholders and beneficiaries, premiums payments and all other cash flows under these premium and expense payments. To calculate the particular cash flow, the current loss, administrative etc. ratios are used.

Template S.19.01.21 in Annex 6 Non-life insurance claims summarizes quantitative information on gross paid insurance claims and gross Best estimate of claims provisions.

The Company applies a simplified method to calculating risk provisions, i.e. approximated assessment by using the ratio of the best estimate at that future year to the best estimate at the valuation date. This method takes into account the maturity and the run-off pattern of the obligations net of reinsurance. Consequently, some considerations are given regarding the manner in which the best estimate of technical provisions net of reinsurance has been calculated.

Segmentation. Liabilities in each agreement are segmented to follow main risk factor. If agreement contains several risks and only one is substantial then liabilities are not separated.

The Company has no material differences between bases, methodologies and assumptions, used in valuation for solvency purposes and used in valuation of technical provisions for claims for financial statements purposes. Cash flow for life underwriting risk is calculated as a sum of cash flows from losses that have been reported to the Company, but that have not been settled by the end of the accounting period (reported but not settled, hereafter – RBNS) and from claims that have transpired, but have not yet been reported to the Company (incurred but not reported, hereafter – IBNR).

The RBNS cash flow projections used in the calculation of Best estimate for life insurance obligations is made separately for each policy and country by using relevant mortality tables, forecasted inflation, indexation and relevant risk-free interest rate term structure.

The IBNR cash flow projections used in the calculation of Best estimate for life insurance obligations is made using Chain-Ladder method for pensions and other long term claims and RBNS triangles.

For purposes of credibility and comparability of the calculation of best estimate of technical provisions and risk margin, the Company has developed internal regulatory documents, describing the calculation methodologies and assumptions in detail. To gain reasonable understanding of the characteristics of the underlying risks and trends in the risks, the Company uses a minimum of five-year period in its provisions calculation. The data is available at the Company's data warehouses on each respective homogenous risk group, used in calculation of technical provisions.

Every change of standard coefficient and data correction is documented, describing the reason and the reason for selecting the used method.

In case of insufficient statistical data, e.g., lack of historical data, the IBNR provisions are calculated as the maximum amount of the proportion (5%) of premiums written in the respective insurance type for the past 12 months or at least of the initial provision. In case the provision sufficiency analysis suggests that the percentage value coefficient of premiums written is too low, it is increased.

The accuracy, completeness and appropriateness of the used data is additionally estimated by controlling the adequacy of technical provisions minimum once a quarter.

Insurance contracts for each insurance type are segmented to follow the main risk factor.

If agreement contains several risks and only one is substantial then liabilities are not separated.

The best estimate of technical provisions is calculated using homogeneous risk groups. In selecting a homogeneous risk group, the focus is on achieving an appropriate balance between the credibility of data available, to enable reliable statistical analyses to be performed, and the homogeneity of risk characteristics within the group.

Consistency between homogeneous risk groups, used to estimate gross technical provisions and reinsurance recoverable from reinsurance contracts are provided for the classification of amounts to be recovered by the same principles as the claims and mapping specific claims.

For homogeneous risk groups to be sufficiently stable enough over time, they are established in Solvency II regime conditions by using licensed insurance products, grouping them.

Insurance or reinsurance obligations stemming from health and other non-life insurance contracts is segmented to life lines of business where such obligations are exposed to biometrical risks (i.e. mortality, longevity or disability or morbidity) and where the common techniques that are used to assess such obligations explicitly take into consideration the behaviour of the variables underlying these risks.

The used assumptions for distribution of Solvency II lines of business are checked at least once a year and kept track to maintain that the basis of business lines are the main risks.

Table D.2.1. Differences between IFRS provisions and the best estimate results

Provision	Reasons of differences
Premium provisions	IFRS premium provisions are calculated based on unearned premium part per days. Best estimate of premium provisions is calculated based on IFRS unearned premium provisions, and then multiplied by loss ratios, expense ratios, recourse ratios and termination ratios. Calculation also encompasses receivables effective contract premiums, which have not yet matured.
	Best estimate of premium provisions is calculated as a present value of prospective future payables and receivables.
	Best estimate of provisions affects considerably receivables effective contract premiums, which have not yet matured.
Claim provisions	RBNS provisions are discounted.
	IBNR provisions are discounted.
	RBNS provisions are reduced by the amount of prospective recourses.
	IBNR provisions are reduced by the amount of prospective recourses.

Uncertainty level related to technical provision value is analysed by the Company upon performance of stress tests, sensitivity tests and reverse stress tests, as well as checking sufficiency of provisions regularly. The Company checks the volume of IBNR provision also by means of stochastic methods (Bootstrapping, Monte Carlo), which indicate the level of credibility of IFRS and Solvency II claims provisions.

The Company does not use volatility and correlation adjustments in technical provisions calculation.

Transition period deduction mentioned in article 308.d of Directive 2009/138/EK is not applied.

The Company uses non-risk percent rates defined by EIOPA (The European Insurance and Occupational Pensions Authority) in accordance with Regulation 2015/35.

D.3 Other Liabilities

There are no other liabilities for the Company.

D.4 Alternative Methods For Valuation

Alternative methods for valuation are used for tangible assets and property, and for loans. Revaluation frequency is in accordance with Regulation 2015/35.

D.5 Other Information

No other information.

E. Capital Management

E.1 Own Funds

For calculation of the solvency capital requirement, the Company uses the standard formula defined in the Regulation 2015/35.

The composition of own funds for solvency purposes is indicated in Table E.1. The structure of the Company's own funds is simple – 90% is the highest quality level – Tier 1. The Company's own funds consist primarily of its equity and reconciliation reserve arising from the excess of the total assets over the total value of liabilities calculated for solvency purposes and reduced by foreseeable dividends for next 12 months.

Table E.1. Own funds structure, in thousand EUR

Year	2020	2021			
Position	Total	Total	Tiers		
			I	II	III
Basic own funds total	**69 146**	**70 099**	-	-	-
- Ordinary share capital	**41 609**	**41 609**	41 609	-	-
- Reconciliation reserve	**20 536**	**21 490**	21 490	-	-
- Subordinated liabilities	**7 000**	**7 000**		7 000	-
Total eligible own funds after deductions (1-2)	**69 146**	**70 099**	63 099	7 000	-
Ancillary own funds, total	**-**	**-**	-	-	-

The purpose of the Company's capital management is to ensure the Company's sustainable operations and further development, its ability to fully comply with all Company's obligations arising from concluded insurance contracts and to allow dividends to be paid to the shareholders of the Company.

When developing capital management policies and capital management plans, the Company's management uses the methods for calculating the Solvency Capital Requirement in order to determine the capital requirements of the Company, taking into account the Company's existing financial situation, liabilities and future development plans. The management of the company evaluates the level of capitalization desired and determines the measures that are necessary to achieve it in the future taking into account the Company's risk profile and market conditions. Such measures may include limiting and reducing the risks taken, additional capital attraction, and adjusting the Company's development strategy.

Capital management policies and capital management plans are developed by the Management Board of the Company together with the Finance Department, the actuarial function and risk management function and approved by the Supervisory Board of the Company. The capital management process is provided in Image E.1.1.

Image E.1.1. Capital management process

Capital adequacy assessment

- Regulatory capitalization
- Internal capital requirements
- Economic capital

Capital planning

- Amount and quality of capital
- Amount and structure of risk
- Capital allocation
- Strategic targets

Capital management measures

- Underwriting targets and limitations
- Insurance portfolio management
- Management of products and pricing
- Investment limits
- Dividends
- Additional capital attraction
- Liability management

E.2 Solvency Capital Requirement And Minimum Capital Requirement

The Company is fully compliant with minimum capital and solvency capital requirements. The Company's eligible own funds to meet solvency capital requirement are 69 146 thousand EUR, while the solvency capital requirement is 50 920 thousand EUR, solvency ratio is 135.8%. There was almost no change in the solvency ratio at the end of the reporting period comparing with the end oy 2019.

Table E.2. Minimum capital and solvency capital requirements, in thousand EUR

Year	31.12.2020	31.12.2021			
Position	Total		Tiers		
		Total	I	II	III
Total available and eligible own funds					
Total available own funds to meet the SCR	69 146	70 099	63 099	7 000	-
Total available own funds to meet the MCR	69 146	70 099	63 099	7 000	-
Total eligible own funds to meet the SCR	69 146	70 099	63 099	7 000	-
Total eligible own funds to meet the MCR	66 623	68 099	63 099	4 938	-
Solvency capital requirement (SCR)	50 920	54 867	-	-	-
Minimum capital requirement (MCR)	22 388	23 026	-	-	-
Ratio of eligible own funds to SCR (%)	135.80%	127.76%			
Ratio of eligible own funds to MCR (%)	298.60%	295.75%			

The Company uses the standard formula to calculate the Solvency Capital Requirement. The split of solvency capital requirement by risks is shown in Table C.1 of Section C.

No inconsistencies with the Minimum Capital Requirement and the Solvency Capital Requirement fulfilment have been established in 2021.

E.3 Use Of The Duration-Based Equity Risk Sub-Module

The company does not use the duration-based equity risk sub-module in the calculation of the solvency capital requirement.

E.4 Differences Between The Standard Formula And Any Internal Model Used

The Company does not use internal models for solvency capital calculations therefore there is no difference between the standard formula and internal models.

E.5 Non-Compliance With The Mcr And The SCR

The Company is fully compliant with the Solvency capital requirements – in 31.12.2021, solvency ratio is 127.8% and the minimum capital solvency ratio is 295.8%.

E.6 Other Information

There is no other relevant information to disclose.

BTA Baltic Insurance Company AAS

Solvency and financial condition report
For 2021

Annexes To The Report

1. Template S.02.01.02
2. Template S.05.01.02
3. Template S.05.02.01
4. Template S.12.01.02
5. Template S.05.02.01
6. Template S.19.01.21
7. Template S.23.01.01
8. Template S.25.01.21
9. Template S.28.01.01

Annex(Thousands EUR)
S.02.01.02
Balance sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	0
Deferred tax assets	R0040	250
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	7 566
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	251 782
Property (other than for own use)	R0080	1 676
Holdings in related undertakings, including participations	R0090	22 942
Equities	R0100	534
Equities - listed	R0110	534
Equities - unlisted	R0120	0
Bonds	R0130	184 982
Government Bonds	R0140	123 433
Corporate Bonds	R0150	61 549
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	41 648
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	15 127
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	15 127
Reinsurance recoverables from:	R0270	52 304
Non-life and health similar to non-life	R0280	27 513
Non-life excluding health	R0290	27 278
Health similar to non-life	R0300	235
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	24 791
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	24 791
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	287
Reinsurance receivables	R0370	3 929
Receivables (trade, not insurance)	R0380	448
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	9 831
Any other assets, not elsewhere shown	R0420	1 017
Total assets	R0500	342 541

Annex(Thousands EUR)
S.02.01.02
Balance sheet

Liabilities		Solvency II value C0010
Technical provisions – non-life	R0510	136 519
Technical provisions – non-life (excluding health)	R0520	126 928
TP calculated as a whole	R0530	0
Best Estimate	R0540	123 088
Risk margin	R0550	3 840
Technical provisions - health (similar to non-life)	R0560	9 590
TP calculated as a whole	R0570	0
Best Estimate	R0580	9 410
Risk margin	R0590	181
Technical provisions - life (excluding index-linked and unit-linked)	R0600	60 345
Technical provisions - health (similar to life)	R0610	0
TP calculated as a whole	R0620	0
Best Estimate	R0630	0
Risk margin	R0640	0
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	60 345
TP calculated as a whole	R0660	0
Best Estimate	R0670	58 035
Risk margin	R0680	2 309
Technical provisions – index-linked and unit-linked	R0690	0
TP calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	2 109
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	30 097
Deferred tax liabilities	R0780	579
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	4 084
Insurance & intermediaries payables	R0820	24 491
Reinsurance payables	R0830	5 396
Payables (trade, not insurance)	R0840	4 679
Subordinated liabilities	R0850	7 000
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	7 000
Any other liabilities, not elsewhere shown	R0880	0
Total liabilities	R0900	275 299
Excess of assets over liabilities	R1000	67 242

Annex(Thousands EUR)
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110	30 574	6 072	0	63 119	52 630	3 120	37 320	10 399	8 764
Gross - Proportional reinsurance accepted	R0120	0	0	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140	0	3 064	0	32 023	57	1 167	8 883	1 833	4 881
Net	R0200	30 574	3 007	0	31 095	52 572	1 953	28 437	8 566	3 882
Premiums earned										
Gross - Direct Business	R0210	29 184	5 717	0	62 747	51 520	3 040	33 155	9 221	7 987
Gross - Proportional reinsurance accepted	R0220	0	0	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240	0	2 893	0	31 859	57	1 332	7 713	1 755	4 000
Net	R0300	29 184	2 824	0	30 887	51 463	1 709	25 442	7 465	3 987
Claims incurred										
Gross - Direct Business	R0310	24 489	2 560	0	48 116	40 746	2 716	21 121	1 579	-622
Gross - Proportional reinsurance accepted	R0320	0	0	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340	0	1 184	0	23 516	23	2 014	3 860	280	-56
Net	R0400	24 489	1 375	0	24 600	40 723	702	17 261	1 298	-566
Changes in other technical provisions										
Gross - Direct Business	R0410	0	0	0	0	0	0	0	0	0
Gross - Proportional reinsurance accepted	R0420	0	0	0	0	0	0	0	0	0
Gross - Non- proportional reinsurance accepted	R0430									
Reinsurers'share	R0440	0	0	0	0	0	0	0	0	0
Net	R0500	0	0	0	0	0	0	0	0	0
Expenses incurred	R0550	6 208	282	0	3 501	15 678	532	8 516	2 173	746
Other expenses	R1200									
Total expenses	R1300									

Annex(Thousands EUR)
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110	17	6 204	587					218 804
Gross - Proportional reinsurance accepted	R0120	0	0	0					0
Gross - Non-proportional reinsurance accepted	R0130				0	0	0	0	0
Reinsurers' share	R0140	0	191	247	0	0	0	0	52 347
Net	R0200	17	6 013	339	0	0	0	0	166 457
Premiums earned									
Gross - Direct Business	R0210	17	5 867	575					209 030
Gross - Proportional reinsurance accepted	R0220	0	0	0					0
Gross - Non-proportional reinsurance accepted	R0230				0	0	0	0	0
Reinsurers' share	R0240	0	181	229	0	0	0	0	50 020
Net	R0300	17	5 686	346	0	0	0	0	159 010
Claims incurred									
Gross - Direct Business	R0310		2 263	929					143 897
Gross - Proportional reinsurance accepted	R0320	0	0	0					0
Gross - Non-proportional reinsurance accepted	R0330				0	0	0	0	0
Reinsurers' share	R0340	0	106	506	0	0	0	0	31 434
Net	R0400		2 158	423	0	0	0	0	112 463
Changes in other technical provisions									
Gross - Direct Business	R0410	0	0	0					0
Gross - Proportional reinsurance accepted	R0420	0	0	0					0
Gross - Non- proportional reinsurance accepted	R0430				0	0	0	0	0
Reinsurers'share	R0440	0	0	0	0	0	0	0	0
Net	R0500	0	0	0	0	0	0	0	0
Expenses incurred	R0550	3	2 124	115					39 877
Other expenses	R1200								10
Total expenses	R1300								39 887

Annex(Thousands EUR)
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		EE	LT				
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	80 144	26 686	111 974				218 804
Gross - Proportional reinsurance accepted	R0120	0	0	0				0
Gross - Non-proportional reinsurance accepted	R0130	0	0	0				0
Reinsurers' share	R0140	16 326	5 536	30 485				52 347
Net	R0200	63 819	21 149	81 489				166 457
Premiums earned								
Gross - Direct Business	R0210	76 389	26 103	106 538				209 030
Gross - Proportional reinsurance accepted	R0220	0	0	0				0
Gross - Non-proportional reinsurance accepted	R0230	0	0	0				0
Reinsurers' share	R0240	15 093	5 724	29 202				50 020
Net	R0300	61 296	20 378	77 335				159 010
Claims incurred								
Gross - Direct Business	R0310	48 582	23 916	71 399				143 897
Gross - Proportional reinsurance accepted	R0320	0	0	0				0
Gross - Non-proportional reinsurance accepted	R0330	0	0	0				0
Reinsurers' share	R0340	6 660	4 930	19 844				31 434
Net	R0400	41 922	18 987	51 554				112 463
Changes in other technical provisions								
Gross - Direct Business	R0410	0	0	0				0
Gross - Proportional reinsurance accepted	R0420	0	0	0				0
Gross - Non- proportional reinsurance accepted	R0430	0	0	0				0
Reinsurers'share	R0440	0	0	0				0
Net	R0500	0	0	0				0
Expenses incurred	R0550	15 860	5 410	18 607				39 877
Other expenses	R1200							10
Total expenses	R1300							39 887

Annex(Thousands EUR)
S.12.01.02
Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	R0010										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020										
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	R0030								58 035		58 035
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080								24 791		24 791
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090								33 244		33 244
Risk Margin	R0100								2 309		2 309
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	R0110										
Best estimate	R0120										
Risk margin	R0130										
Technical provisions - total	R0200								60 345		60 345

Annex(Thousands EUR)
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	R0060	5 358	1 101	0	16 277	11 293	131	12 387	619	-1 434
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	0	-132	0	-1 076	-15	112	204	-37	-14
Net Best Estimate of Premium Provisions	R0150	5 358	1 232	0	17 353	11 309	19	12 183	656	-1 420
Claims provisions										
Gross	R0160	2 072	879	0	40 893	9 297	3 145	10 660	9 970	7 373
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	0	366	0	18 563	-70	1 697	2 456	525	4 387
Net Best Estimate of Claims Provisions	R0250	2 072	513	0	22 330	9 367	1 449	8 205	9 445	2 987
Total Best estimate - gross	R0260	7 430	1 980	0	57 170	20 590	3 276	23 048	10 590	5 939
Total Best estimate - net	R0270	7 430	1 745	0	39 683	20 676	1 468	20 388	10 101	1 567
Risk margin	R0280	145	36	0	1 560	654	101	573	660	209
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									

Annex(Thousands EUR)
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions - total										
Technical provisions - total	R0320	7 574	2 016	0	58 730	21 245	3 378	23 621	11 249	6 148
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	235	0	17 487	-85	1 808	2 660	488	4 373
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	7 574	1 781	0	41 242	21 330	1 569	20 961	10 761	1 775

Annex(Thousands EUR)
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	R0060	2	801	-84					46 451
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	0	7	-22	0	0	0	0	-971
Net Best Estimate of Premium Provisions	R0150	2	794	-63	0	0	0	0	47 423
Claims provisions									
Gross	R0160	1	1 187	569					86 047
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	0	47	514	0	0	0	0	28 484
Net Best Estimate of Claims Provisions	R0250	1	1 140	55	0	0	0	0	57 563
Total Best estimate - gross	R0260	3	1 988	484	0	0	0	0	132 498
Total Best estimate - net	R0270	3	1 934	-8	0	0	0	0	104 986
Risk margin	R0280		80	4	0	0	0	0	4 021
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0290								
Best estimate	R0300								
Risk margin	R0310								

Annex(Thousands EUR)
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions - total									
Technical provisions - total	R0320	3	2 068	488	0	0	0	0	136 519
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	54	492	0	0	0	0	27 513
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	3	2 013	-4	0	0	0	0	109 006

Annex(Thousands EUR)
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0010	Accident year

Gross Claims Paid (non-cumulative)
(absolute amount)

		Development year													
	Year	0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											79	R0100	79	79
N-9	R0160	33 606	12 223	1 565	774	402	373	237	234	775	2		R0160	2	50 191
N-8	R0170	40 958	12 126	1 411	689	979	329	200	59	28			R0170	28	56 779
N-7	R0180	45 135	14 718	1 868	954	749	396	359	1 548				R0180	1 548	65 728
N-6	R0190	51 889	14 771	1 786	1 178	1 841	393	107					R0190	107	71 965
N-5	R0200	58 050	16 479	4 943	1 689	897	430						R0200	430	82 488
N-4	R0210	59 094	28 230	2 607	1 291	751							R0210	751	91 972
N-3	R0220	80 354	37 237	4 451	2 810								R0220	2 810	124 852
N-2	R0230	94 510	28 575	2 555									R0230	2 555	125 640
N-1	R0240	92 870	22 479										R0240	22 479	115 349
N	R0250	100 678											R0250	100 678	100 678
												Total	R0260	131 468	885 721

Annex(Thousands EUR)
S.19.01.21
Non-life Insurance Claims Information

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

		Development year													Year end (discounted data)
	Year	0	1	2	3	4	5	6	7	8	9	10 & +			
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300			C0360
Prior	R0100											253		R0100	254
N-9	R0160	21 796	5 634	3 746	2 919	2 040	1 838	1 295	1 029	324	278			R0160	278
N-8	R0170	20 883	4 827	2 442	1 984	1 506	1 208	975	772	1 843				R0170	1 846
N-7	R0180	27 907	7 033	4 797	6 863	6 836	6 524	4 426	3 223					R0180	3 229
N-6	R0190	26 646	4 768	4 971	3 750	2 237	1 346	1 413						R0190	1 416
N-5	R0200	23 465	10 922	6 394	4 874	2 428	2 039							R0200	2 043
N-4	R0210	39 307	12 347	7 021	5 080	2 874								R0210	2 880
N-3	R0220	53 804	14 874	8 053	4 224									R0220	4 232
N-2	R0230	49 603	11 635	4 862										R0230	4 872
N-1	R0240	45 779	8 331											R0240	8 348
N	R0250	56 514												R0250	56 647
													Total	R0260	86 047

Annex(Thousands EUR)
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	41 609	41 609			
Share premium account related to ordinary share capital	R0030					
initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	21 490	21 490			
Subordinated liabilities	R0140	7 000			7 000	
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	70 099	63 099		7 000	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					

Annex(Thousands EUR)
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	70 099	63 099		7 000	0
Total available own funds to meet the MCR	R0510	70 099	63 099		7 000	
Total eligible own funds to meet the SCR	R0540	70 099	63 099	0	7 000	0
Total eligible own funds to meet the MCR	R0550	68 038	63 099	0	4 938	
SCR	R0580	54 867				
MCR	R0600	23 026				
Ratio of Eligible own funds to SCR	R0620	127.76%				
Ratio of Eligible own funds to MCR	R0640	275.56%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	67 242
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	4 143
Other basic own fund items	R0730	41 609
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	21 490
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	2 930
Total Expected profits included in future premiums (EPIFP)	R0790	2 930

Annex(Thousands EUR)
S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	22 240		
Counterparty default risk	R0020	4 231		
Life underwriting risk	R0030	2 348		
Health underwriting risk	R0040	5 321		
Non-life underwriting risk	R0050	35 572		
Diversification	R0060	-19 587		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	50 126		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	6 271
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-1 529
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement excluding capital add-on	R0200	54 867
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	54 867
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

		Yes/No
		C0109
Approach based on average tax rate	R0590	Yes

		LAC DT
Calculation of loss absorbing capacity of deferred taxes		C0130
LAC DT	R0640	-1 529
LAC DT justified by reversion of deferred tax liabilities	R0650	-329
LAC DT justified by reference to probable future taxable economic profit	R0660	-1 200
LAC DT justified by carry back, current year	R0670	0
LAC DT justified by carry back, future years	R0680	0
Maximum LAC DT	R0690	-1 529

Annex(Thousands EUR)
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	22 326

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	7 430	30 574
Income protection insurance and proportional reinsurance	R0030	1 745	3 007
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	39 683	31 095
Other motor insurance and proportional reinsurance	R0060	20 676	52 572
Marine, aviation and transport insurance and proportional reinsurance	R0070	1 468	1 953
Fire and other damage to property insurance and proportional reinsurance	R0080	20 388	28 437
General liability insurance and proportional reinsurance	R0090	10 101	8 566
Credit and suretyship insurance and proportional reinsurance	R0100	1 567	3 882
Legal expenses insurance and proportional reinsurance	R0110	3	17
Assistance and proportional reinsurance	R0120	1 934	6 013
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	339
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

Annex(Thousands EUR)
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	700

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240	33 244	
Total capital at risk for all life (re)insurance obligations	R0250		2 348

Overall MCR calculation

		C0070
Linear MCR	R0300	23 026
SCR	R0310	54 867
MCR cap	R0320	24 690
MCR floor	R0330	13 717
Combined MCR	R0340	23 026
Absolute floor of the MCR	R0350	3 700

		C0070
Minimum Capital Requirement	R0400	23 026