



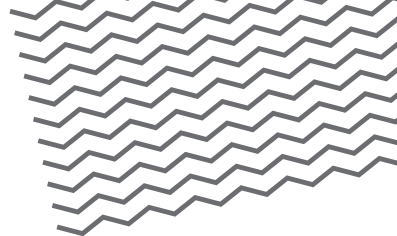
BTA Baltic Insurance Company AAS

PUBLIC QUARTERLY REPORT 2ND QUARTER 2022

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

The Report includes the summarized information
on the Company's activity over the period
from January 1st until June 30th 2022

Company information



| Name of the Company | BTA Baltic Insurance Company | | | | | | | | | |
|---|---|------------------------|------------------|------------------------|---|---------|------|---------------|----------------|-------------|
| Legal status | Insurance Joint Stock Company | | | | | | | | | |
| Number, place and date of registration | 40103840140, registered in Riga, Latvia on 28 October 2014 | | | | | | | | | |
| Address | Sporta 11, Riga, Latvia, LV-1013 | | | | | | | | | |
| Members of the Board and their positions | Wolfgang Stockmeyer - Chairman of the Management Board Oskars Hartmanis - Deputy Chairman of the Management Board Evija Matveja - Member of the Management Board Tadeuš Podvorski - Member of the Management Board | | | | | | | | | |
| Members of the Council and their positions | Harald Riener - Chairman of the Council Gabor Lehel - Deputy Chairman of the Council Franz Fuchs - Deputy Chairman of the Council Jan Bogutyn - Member of the Council Artur Borowinski - Member of the Council | | | | | | | | | |
| Reporting Period | 01.01.2022 – 30.06.2022 | | | | | | | | | |
| Shareholder structure at the end of reporting period | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Shareholder</th> <th style="text-align: center;">Number of shares</th> <th style="text-align: center;">% of the share capital</th> </tr> </thead> <tbody> <tr> <td>VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe</td> <td style="text-align: center;">416 094</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: right;">Total:</td> <td style="text-align: center;">416 094</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table> | Shareholder | Number of shares | % of the share capital | VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe | 416 094 | 100% | Total: | 416 094 | 100% |
| Shareholder | Number of shares | % of the share capital | | | | | | | | |
| VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe | 416 094 | 100% | | | | | | | | |
| Total: | 416 094 | 100% | | | | | | | | |
| Face value of one share | EUR 100.00 | | | | | | | | | |
| Subscribed share capital | EUR 41 609 400 | | | | | | | | | |
| Paid-up share capital | EUR 41 609 400 | | | | | | | | | |
| Foreign branches | Lithuania, Estonia | | | | | | | | | |

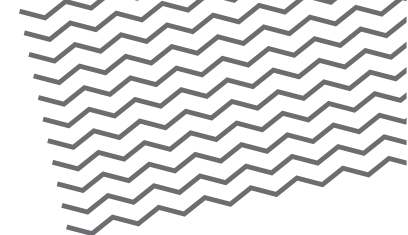
Balance Sheet

| Item | At the end of the Reporting Period, EUR | At the end of the Previous Reporting Year, EUR |
|---|---|--|
| Tangible assets | 2 256 939 | 2 679 148 |
| Investments in land lots and buildings | 4 832 250 | 5 686 866 |
| Intangible assets | 5 190 124 | 4 198 483 |
| Investments in share capital of related companies | 17 341 180 | 17 341 180 |
| Investments in share capital of associated companies | - | - |
| Classified as financial assets at fair value through profit and loss | - | 1 360 409 |
| Classified as financial assets at fair value through other comprehensive income | 198 067 296 | 223 513 482 |
| Classified as financial assets at amortized cost | 91 760 289 | 76 067 815 |
| Accrued income and deferred expenses | 14 870 387 | 13 421 239 |
| Tax assets | 249 989 | 249 989 |
| Ceded reinsurance and retrocession contracts | 75 401 235 | 79 903 691 |
| Cash on hand and claims on demand on credit institutions | 34 438 138 | 9 831 096 |
| Total assets | 444 407 827 | 434 253 398 |
| Capital and reserves | 49 688 206 | 65 767 877 |
| Insurance and reinsurance liabilities | 321 961 429 | 305 886 755 |
| Classified as financial liabilities at fair value through profit and loss | - | - |
| Financial liabilities at amortized cost | 65 592 507 | 54 075 957 |
| Provisions | 3 379 142 | 3 542 370 |
| Tax liabilities | 205 664 | 798 144 |
| Accrued expenses and deferred income | 3 580 879 | 4 182 295 |
| Total liabilities | 394 719 621 | 368 485 521 |
| Total capital and reserves, and liabilities | 444 407 827 | 434 253 398 |

Income Statement

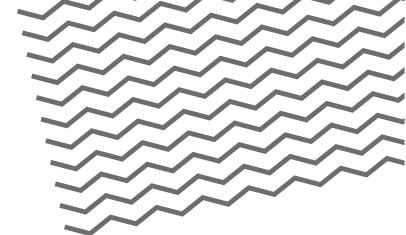
| Item | For the Reporting Period, EUR | For the Respective Period of the Previous Reporting Year, EUR |
|--|----------------------------------|---|
| Earned premiums | 88 454 350 | 76 427 745 |
| Other technical income, net | 703 974 | 156 566 |
| Incurred claims, net | (60 878 992) | (52 924 909) |
| Changes in life insurance technical reserves | - | - |
| Changes in other technical reserves | - | - |
| Gratuities, net | - | - |
| Net operating expenses | (23 276 318) | (18 369 054) |
| Other technical expenses, net | (120 402) | (136 912) |
| Changes in equalization reserves | - | - |
| Investment management expenses/income and commission payments | (424 428) | (402 853) |
| Net interest income and dividend income | 1 474 621 | 1 114 412 |
| Net profit/loss from derecognition of the financial assets and financial liabilities not classified at fair value through profit and loss | - | - |
| Net profit/loss from the financial assets and financial liabilities classified at fair value through profit and loss | 149 842 | 28 717 |
| Revaluation result of foreign currencies | 32 173 | 135 554 |
| Profit/loss from derecognition of tangible assets, investments in buildings for ensuring own activities, investments in property and intangible assets | 246 647 | 421 175 |
| Depreciation | (2 036 649) | (1 960 009) |
| Impairment losses | - | - |
| Negative goodwill | - | - |
| Net profit/loss from investments in subsidiaries and participations recognized using equity method | - | - |
| Profit/loss for the reporting period before profit tax | 4 324 818 | 4 490 432 |
| Profit tax | (61 464) | (455 882) |
| Profit/loss for the reporting period | 4 263 354 | 4 034 550 |
| Other comprehensive income | (20 391 203) | (1 177 231) |

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



| | Gross Premiums Written | | | | | Gross Claims Paid | | | | | Net operating expenses |
|---|------------------------|--|-------------|-----------------------------|--|-------------------|---------------------------------|-----------|-----------------------------|---|------------------------|
| | Total | for agreements signed in Latvia | | for agreements signed in EU | | Total | for agreements signed in Latvia | | for agreements signed in EU | | |
| | | incl. agreements signed with private persons | in branches | FOS | incl. agreements signed with private persons | | in branches | FOS | | | |
| Non-life insurance | 132 336 365 | 45 772 966 | 13 312 347 | 86 563 400 | - | 80 194 969 | 28 287 893 | 7 919 301 | 51 907 075 | - | 23 276 319 |
| Accident insurance | 3 571 244 | 1 428 722 | 832 067 | 2 142 522 | - | 1 621 882 | 532 595 | 266 298 | 1 089 287 | - | 324 602 |
| Health Insurance | 24 370 324 | 14 615 087 | 8 273 | 9 755 237 | - | 15 707 116 | 9 149 058 | - | 6 558 057 | - | 2 863 393 |
| Motor vehicle insurance (other than railway) | 31 508 941 | 9 960 912 | 4 901 951 | 21 548 029 | - | 21 204 021 | 6 774 853 | 3 726 169 | 14 429 168 | - | 6 856 553 |
| Railway transport insurance | 217 334 | 53 272 | - | 164 062 | - | 9 607 | 3 213 | - | 6 394 | - | 29 662 |
| Aircraft insurance | 121 371 | 7 852 | 100 | 113 519 | - | 116 362 | 1 629 | - | 114 733 | - | 25 141 |
| Vessel insurance | 822 354 | 504 309 | 19 929 | 318 045 | - | 556 177 | 537 936 | - | 18 241 | - | 59 282 |
| Cargo insurance | 581 565 | 436 828 | - | 144 737 | - | 88 970 | 64 187 | - | 24 783 | - | 172 844 |
| Property insurance against fire and natural disaster damages and other risks | 17 615 825 | 7 946 613 | 2 960 844 | 9 669 212 | - | 11 875 245 | 6 296 116 | 1 385 145 | 5 579 129 | - | 5 100 925 |
| Civil liability insurance of motor vehicle owners, incl. compulsory civil liability insurance of motor vehicle owners | 36 601 643 | 6 606 615 | 3 529 606 | 29 995 029 | - | 25 276 580 | 4 367 688 | 2 271 198 | 20 908 892 | - | 4 234 031 |
| Civil liability insurance of aircraft owners | 161 753 | 31 526 | 4 932 | 130 227 | - | 1 293 | - | - | 1 293 | - | 29 012 |
| Civil liability insurance of vessel owners | 155 759 | 74 355 | 3 093 | 81 404 | - | 6 898 | 5 700 | 5 700 | 1 198 | - | 7 747 |
| General civil liability insurance | 6 833 359 | 1 230 177 | 291 235 | 5 603 182 | - | 1 515 753 | 201 698 | 62 526 | 1 314 055 | - | 1 798 715 |
| Loan insurance | 224 887 | 224 887 | - | - | - | 37 916 | 37 916 | - | - | - | 7 717 |
| Guarantee insurance | 4 738 043 | 1 391 454 | - | 3 346 589 | - | 42 390 | (199 583) | - | 241 973 | - | 128 232 |
| Insurance of various financial losses | 477 173 | 84 412 | 289 | 392 761 | - | 221 157 | 9 225 | - | 211 932 | - | 56 310 |
| Insurance of legal expenses | 8 727 | 8 727 | 7 985 | - | - | - | - | - | - | - | 235 |
| Assistance insurance | 4 326 063 | 1 167 218 | 752 043 | 3 158 845 | - | 1 913 602 | 505 662 | 202 265 | 1 407 940 | - | 1 581 918 |

Insurer's performance indicators by Type of Insurance

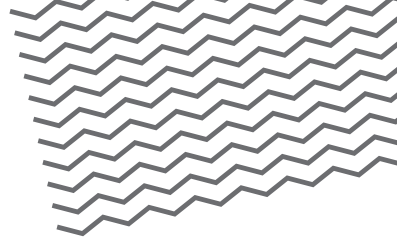


| Item | Total in reporting period | Type of Insurance | | | | | | | | | | | | | | | | |
|--------------------|---------------------------|--------------------|------------------|--|-----------------------------|--------------------|------------------|-----------------|--|--|--|--|-----------------------------------|----------------|---------------------|---------------------------------------|-----------------------------|----------------------|
| | | Accident insurance | Health Insurance | Motor vehicle insurance (other than railway) | Railway transport insurance | Aircraft insurance | Vessel insurance | Cargo insurance | Property insurance against fire and natural disaster damages and other risks | Civil liability insurance of motor vehicle owners, incl. compulsory civil liability insurance of motor vehicle | Civil liability insurance of aircraft owners | Civil liability insurance of vessel owners | General civil liability insurance | Loan insurance | Guarantee insurance | Insurance of various financial losses | Insurance of legal expenses | Assistance insurance |
| Loss ratio (%) | 68.83 | 68.79 | 93.21 | 82.06 | (198.71) | 39.25 | 178.09 | 28.78 | 52.49 | 73.38 | 58.70 | (12.67) | 17.15 | 63.19 | (31.84) | (2.88) | 0.69 | 47.03 |
| Expense ratio (%) | 28.66 | 26.89 | 17.95 | 26.63 | 24.90 | 36.58 | 36.01 | 36.25 | 38.27 | 30.06 | 42.35 | 29.32 | 43.49 | 12.94 | 10.86 | 24.45 | 3.26 | 40.95 |
| Combined ratio (%) | 97.49 | 95.68 | 111.15 | 108.69 | (173.81) | 75.84 | 214.11 | 65.02 | 90.75 | 103.44 | 101.05 | 16.65 | 60.65 | 76.13 | (20.98) | 21.56 | 3.95 | 87.98 |



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

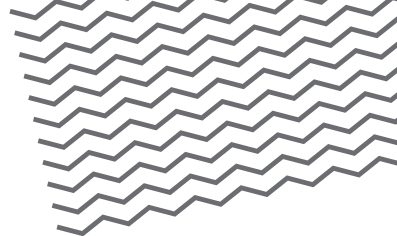
| No. | Item | In reporting period |
|------|---|---------------------|
| 1 | Basic own funds before deduction | 69 140 978 |
| 2 | Deductions for participations in financial and credit institutions | - |
| 3 | Total basic own funds after deductions (1.-2.) | 69 140 978 |
| 4 | Total ancillary own funds | - |
| 5 | Available and eligible own funds | 69 140 978 |
| 5.1. | Total available own funds to meet the Solvency Capital requirements | 69 140 978 |
| 5.2. | Total available own funds to meet the Minimum Capital requirements | 69 140 978 |
| 5.3. | Total eligible own funds to meet the Solvency Capital requirements | 69 140 978 |
| 5.4. | Total eligible own funds to meet the Minimum Capital requirements | 51 829 163 |
| 6 | Solvency Capital requirements | 58 875 689 |
| 7 | Minimum Capital requirements | 23 440 926 |
| 8 | Ratio of Eligible own funds to Solvency Capital requirements | 117.44% |
| 9 | Ratio of Eligible own funds to Minimum Capital requirements | 221.11% |



Key Cooperation Partners

Reinsurers

| Reinsurer | Reinsurer's Rating | Rating Agency | Place (Country) of Registration of the Reinsurer |
|---------------------------|--------------------|-------------------|--|
| VIG RE ZAJISTOVNA, A.S. | A+ | Standard & Poor's | Czech Republic |
| VIENNA INSURANCE GROUP AG | A+ | Standard & Poor's | Austria |
| SWISS RE EUROPE S.A. | AA- | Standard & Poor's | Luxembourg |
| R+V VERSICHERUNG AG | A+ | Standard & Poor's | Germany |
| SCOR SE | AA- | Standard & Poor's | France |
| HANNOVER RÜCK SE | AA- | Standard & Poor's | Germany |
| POLISH RE | A- | A.M.Best | Poland |
| ATRADIUS RE | A | A.M.Best | Ireland |



Insurance and Reinsurance Brokerage Companies

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



Operational Strategy and Goals for 2022

It was already evident in the first quarter of 2022 that the war in the Ukraine affected several industries. In addition, fast rising interest rates and a price inflation, which at the moment reaches in the Baltics the highest level in all European Union, create a new economic environment. BTA had and will undertake flexible measures to adapt to inflation and continue to improve both internal and external processes. These are the key conditions for even higher long-term achievements.

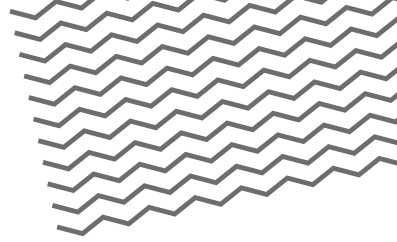
In 2022 BTA continues investing in innovations, digital advancement and sustainability therefore, in spring the newest BTA eMed addition was published – eMed Travel. One of the main focus areas for BTA is sustainability, that is why during all year 2022 company continues to actively work in sustainability area by creating sustainability strategy and by developing innovative sustainability projects. For instance, already for several seasons BTA continues working with BTA Velomaster project. BTA Velomaster is a socially responsible and innovative project – it is a unique track, intended to teach about safe driving by means of various elements and bicycle games imitating city environment. It presents an innovative opportunity to teach numerous children and teenagers in a joyful way in order to prepare them for the actual city traffic. There are both the most frequently encountered road signs and asphalt markings and bicycle obstacles typical for city environment available on the track – potholes, stairs, rails and change of pavement. This year together with partner “Velosolutions” BTA continues to develop the project and new tracks in many cities in Baltics. In Estonia two new tracks have been opened and activity in the construction of new tracks is also taking place in Lithuania.

In 2022, the Company continues reviewing internal processes and working on several directions of strategic importance, some of the most important are:

- Customer journey;
- Customer segmentation;
- Unified office concept in Baltics;
- Sustainability strategy;
- Hybrid work guidelines.

All these projects will help to increase its efficiency, create innovations and provide all employees in the Baltics with an opportunity to work in a modern operating mode, therefore, improving the wellbeing of employees even more. On the other hand, from the perspective of customers, special efforts are being made to improve the customer experience and customer segmentation, which will help to provide even more accurate offers that meet customer expectations.

Company continues strengthening its insurance portfolio by diversifying and increasing the ratio of voluntary insurance types, in particular Property, CASCO and Personal accident insurance types. BTA will continue to monitor inflation rate and its impact on insurance portfolio in order to continue to ensure the fulfilment of customer obligations in the future. Quick and qualitative decision-making within insurance claims handling process is important for the Company and that improves meeting customer needs and satisfaction rates. Moreover, Company will continue develop various sustainability projects such as the development of Sustainability Strategy, the creation of the BTA Sustainability Forest, the maintenance of the “Green office” certificate, the maintenance of the paperless office concept and other long-term sustainable innovations.



BTA is taking care of its employees' and their families' well-being, that is why once per year company organizes BTA Children's Day, offer flexible working possibilities and other bonuses. At the beginning of this summer, BTA's contribution to promoting the well-being of employees was well received and the company has obtained the status of "Family-friendly workplace". BTA is proud of this achievement and will continue to work in order to maintain the status.

Departments and Branches of the Company

Customer service locations that offer BTA insurance services in Latvia:

<https://www.bta.lv/en/contacts/customer-service-centers>

Foreign branches:

Estonia - <https://www.bta.ee/>

Lithuania - <https://www.bta.lt/>