



BTA Baltic Insurance Company AAS

# PUBLIC QUARTERLY REPORT 1ST QUARTER 2021

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 March 31st 2021.**

# Company information



<b>Name of the Company</b>	BTA Baltic Insurance Company									
<b>Legal status</b>	Insurance Joint Stock Company									
<b>Number, place and date of registration</b>	40103840140, registered in Riga, Latvia on 28 October 2014									
<b>Address</b>	Sporta 11, Riga, Latvia, LV-1013									
<b>Members of the Board and their positions</b>	<b>Wolfgang Stockmeyer</b> – Chairman of the Management Board <b>Oskars Hartmanis</b> – Deputy Chairman of the Management Board <b>Evija Matveja</b> – Member of the Management Board <b>Tadeuš Podvorski</b> – Member of the Management Board									
<b>Members of the Council and their positions</b>	<b>Peter Franz Hoefinger</b> – Chairman of the Council <b>Franz Fuchs</b> – Deputy Chairman of the Council <b>Elisabeth Stadler</b> – Deputy Chairman of the Council <b>Jan Bogutyn</b> – Member of the Council <b>Artur Borowski</b> – Member of the Council									
<b>Reporting Period</b>	01.01.2021 – 31.03.2021									
<b>Shareholder structure at the end of reporting period</b>	<table><thead><tr><th>Shareholder</th><th>Number of shares</th><th>% of the share capital</th></tr></thead><tbody><tr><td>VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe</td><td>416 094</td><td>100%</td></tr><tr><td><b>Total:</b></td><td><b>416 094</b></td><td><b>100%</b></td></tr></tbody></table>	Shareholder	Number of shares	% of the share capital	VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe	416 094	100%	<b>Total:</b>	<b>416 094</b>	<b>100%</b>
Shareholder	Number of shares	% of the share capital								
VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe	416 094	100%								
<b>Total:</b>	<b>416 094</b>	<b>100%</b>								
<b>Face value of one share</b>	EUR 100.00									
<b>Subscribed share capital</b>	EUR 41 609 400									
<b>Paid-up share capital</b>	EUR 41 609 400									
<b>Foreign branches</b>	Lithuania, Estonia									

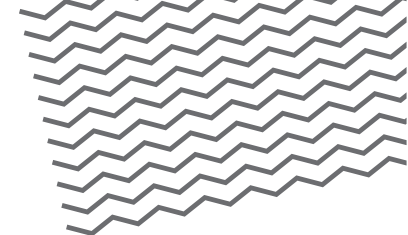
# Balance Sheet

Item	At the end of the Reporting Period, EUR	At the end of the Previous Reporting Year, EUR
Tangible assets	3 108 914	2 976 883
Investments in land lots and buildings	6 296 036	6 732 720
Intangible assets	2 796 283	3 001 505
Investments in share capital of related companies	614 277	614 277
Investments in share capital of associated companies	-	-
Classified as financial assets at fair value through profit and loss	1 615 454	1 605 507
Classified as financial assets at fair value through other comprehensive income	226 727 084	224 920 050
Classified as financial assets at amortized cost	72 545 822	64 637 073
Accrued income and deferred expenses	12 073 788	11 643 126
Tax assets	221 975	221 975
Ceded reinsurance and retrocession contracts	75 398 851	73 413 685
Cash on hand and claims on demand on credit institutions	27 568 604	31 397 288
<b>Total assets</b>	<b>428 967 090</b>	<b>421 164 091</b>
Capital and reserves	72 825 884	71 897 085
Insurance and reinsurance liabilities	298 130 416	289 218 369
Classified as financial liabilities at fair value through profit and loss	-	-
Financial liabilities at amortized cost	52 149 675	54 459 292
Provisions	4 043 101	3 714 956
Tax liabilities	897 616	863 220
Accrued expenses and deferred income	920 398	1 011 168
<b>Total liabilities</b>	<b>356 141 206</b>	<b>349 267 005</b>
<b>Total capital and reserves, and liabilities</b>	<b>428 967 090</b>	<b>421 164 091</b>

# Income Statement

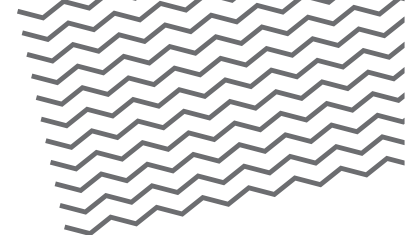
Item	For the Reporting Period, EUR	For the Respective Period of the Previous Reporting Year, EUR
Earned premiums	37 702 046	39 215 362
Other technical income, net	99 403	124 393
Incurred claims, net	(25 647 341)	(25 148 541)
Changes in life insurance technical reserves	-	-
Changes in other technical reserves	-	-
Gratuities, net	-	-
Net operating expenses	(9 227 655)	(8 906 627)
Other technical expenses, net	(98 900)	(36 120)
Changes in equalization reserves	-	-
Investment management expenses/income and commission payments	(184 419)	(191 501)
Net interest income and dividend income	511 305	574 350
Net profit/loss from derecognition of the financial assets and financial liabilities not classified at fair value through profit and loss	-	(65 697)
Net profit/loss from the financial assets and financial liabilities classified at fair value through profit and loss	17 720	(3 067)
Revaluation result of foreign currencies	111 517	152 251
Profit/loss from derecognition of tangible assets, investments in buildings for ensuring own activities, investments in property and intangible assets	184 190	(25 126)
Depreciation	(964 720)	(781 830)
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	2 503 146	4 907 847
Profit tax	(242 415)	(234 752)
<b>Profit/loss for the reporting period</b>	<b>2 260 731</b>	<b>4 673 095</b>
<b>Other comprehensive income</b>	<b>(1 574 347)</b>	<b>(4 962 257)</b>

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



	Gross Premiums Written			Gross Claims Paid			Net operating expenses
	Total	for agreements signed in Latvia		Total	for agreements signed in Latvia		
		incl. agreements signed with private persons			incl. agreements signed with private persons		
<b>Non-life insurance</b>	<b>55 427 310</b>	<b>21 910 129</b>	<b>5 218 326</b>	<b>30 204 259</b>	<b>11 032 769</b>	<b>2 677 279</b>	<b>9 227 655</b>
Accident insurance	1 916 085	927 586	538 033	547 160	239 500	106 438	(25 271)
Health Insurance	11 193 858	8 702 264	5 272	4 907 057	3 958 946	2 606	1 351 929
Motor vehicle insurance (other than railway)	13 313 507	4 441 767	2 029 043	8 714 292	2 741 519	1 271 858	3 478 207
Railway transport insurance	125 525	13 882	-	(17 055)	(17 055)	-	16 290
Aircraft insurance	21 835	25	100	1 814	1 375	-	5 234
Vessel insurance	163 333	120 107	1 225	286 342	266 796	-	6 909
Cargo insurance	350 178	268 342	-	(930)	(13 544)	-	77 815
Property insurance against fire and natural disaster damages and other risks	6 466 438	2 698 067	1 119 355	3 220 920	1 404 033	283 546	1 892 851
Civil liability insurance of motor vehicle owners, incl. compulsory civil liability insurance of motor vehicle owners	15 132 047	2 349 860	1 220 841	11 614 704	2 207 728	986 312	1 365 631
Civil liability insurance of aircraft owners	26 795	10 422	1 532	3 047	-	-	3 859
Civil liability insurance of vessel owners	72 141	45 652	202	15 431	5 825	(150)	(494)
General civil liability insurance	3 055 582	643 295	123 398	538 057	82 455	10 919	475 080
Loan insurance	214 370	214 370	-	27 384	27 384	-	5 174
Guarantee insurance	2 244 010	1 075 934	-	(111 632)	(36 467)	-	185 419
Insurance of various financial losses	191 335	83 161	-	129 241	129 241	-	26 078
Insurance of legal expenses	4 005	4 005	3 792	-	-	-	786
Assistance insurance	936 266	311 390	175 533	328 427	35 033	15 750	362 158

# Insurer's performance indicators by Type of Insurance

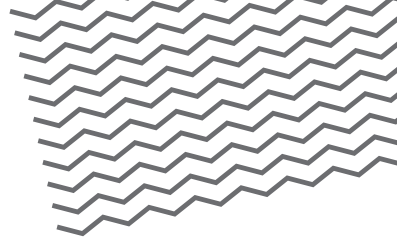


Item	Total in reporting period	Type of Insurance																
		Accident insurance	Health Insurance	Motor vehicle insurance (other than railway)	Railway transport insurance	Aircraft insurance	Vessel insurance	Cargo insurance	Property insurance against fire and natural disaster damages and other risk	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 (%)	68.03	44.38	80.63	80.47	(36.88)	27.14	368.61	3.88	53.55	81.40	2.16	231.56	11.40	52.25	(52.81)	90.18	1.45	45.95
Expense ratio (%)	27.30	1.20	21.73	30.16	30.03	25.05	30.45	27.98	33.78	22.70	21.03	(0.23)	30.19	20.17	23.18	32.98	21.15	42.62
Combined ratio (%)	95.32	45.58	102.36	110.63	(6.84)	52.20	399.06	31.86	87.33	104.11	23.19	231.33	41.58	72.42	(29.64)	123.17	22.60	88.57



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

No.	Item	In reporting period
1	Basic own funds before deduction	70 653 405
2	Deductions for participations in financial and credit institutions	-
3	<b>Total basic own funds after deductions (1-2.)</b>	<b>70 653 405</b>
4	<b>Total ancillary own funds</b>	-
5	<b>Available and eligible own funds</b>	<b>70 653 405</b>
5.1.	Total available own funds to meet the Solvency Capital requirements	70 653 405
5.2.	Total available own funds to meet the Minimum Capital requirements	70 653 405
5.3.	Total eligible own funds to meet the Solvency Capital requirements	70 653 405
5.4.	Total eligible own funds to meet the Minimum Capital requirements	67 917 323
6	<b>Solvency Capital requirements</b>	<b>50 603 179</b>
7	<b>Minimum Capital requirements</b>	<b>21 319 591</b>
8	<b>Ratio of Eligible own funds to Solvency Capital requirements</b>	<b>139.62%</b>
9	<b>Ratio of Eligible own funds to Minimum Capital requirements</b>	<b>319%</b>

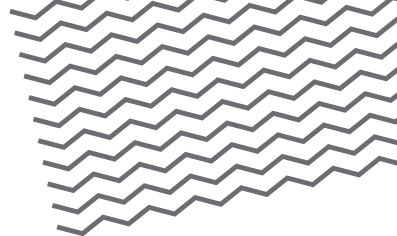


# Key Cooperation Partners

## Reinsurers

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





# Insurance and Reinsurance Brokerage Companies

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



# Operational Strategy and Goals for 2021

In the first quarter of 2021 the Baltic Countries continued to apply restrictions, stemmed from the protracted and already anticipated an even greater second wave of the COVID-19 illness caused by the Coronavirus. Moreover, it affected Baltic insurance market recovery estimates. Company continues to invest in development of internal systems and enhancement of employee professional skills, which resulted in positive outlook on subsequent performance. All the previously undertaken measures for the benefit of human resources were marked as excellent by the employees during the 2021 employee satisfaction survey, and that testifies the strategy was set off in the right direction.

Throughout the first quarter, the insurance market in the Baltic Countries experienced strong competition in the field of Motor product prices. Positive situation unravelled in the Lithuanian market, which was followed by a logical improvement in the results of the BTA branch office.

While in general, the success of BTA in the Baltics in the first quarter can be evaluated as very good within such a type of voluntary insurance products as Property insurance. In this product, BTA managed to engage new customers and improve the result of written premiums by 20% as compared to the data of the same period last year.

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

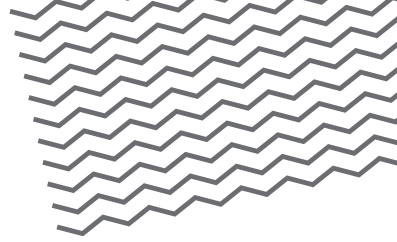
In 2021, the Company continues to focus on the development of previously launched projects, introducing new and high-level digital projects. Thus, a multiannual project was concluded in March, as a result of which all three Baltic countries now have modern, user-friendly and comprehensible websites combined with self-service options, as well as a mobile Health Insurance app.

The Company, in cooperation with an Estonian start-up, also started to offer customers an innovative tool DriveX based on an artificial intelligence solution. By means of the app, any BTA customer while purchasing Motor insurance can make a photo of its car's condition when and where it is convenient for you. This saves time and money for both customers and the Company and its employees.

The Company continues Innovative social responsibility project BTA Velomaster launched last year. We plan that overall 20 educational tracks for young cyclists will be opened all over Latvia by the end of the project.

In 2021, the Company plans to review internal processes and make greater improvements in the field of human resource management in order to provide all employees in the Baltics with an opportunity to work in a modern work mode, therefore further improving employee satisfaction rates.

The Company has a positive take on the future prospects of the following months. Focusing on a high-level customer service and product quality, the Company will develop new projects in 2021, as a result of which further excellent service will be provided both remotely and in person, having considered all the safety measures.



The Company also plans to further strengthen its insurance portfolio by diversifying and increasing the share of voluntary types of insurance, especially Property, CASCO and Private accident insurance. It is also important for the Company to make quick and high-quality decisions in the claims' settlement process, and this furthermore contributes to customer satisfaction when their needs are met.

# 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/>