



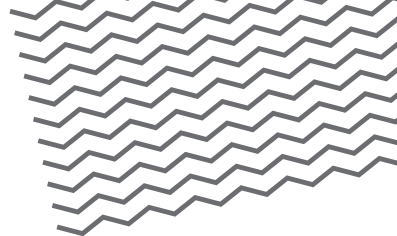
BTA Baltic Insurance Company AAS

PUBLIC QUARTERLY REPORT 2ND 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 June 30th 2021.**

Company information



| Name of the Company | BTA Baltic Insurance Company | | | | | | | | | | | |
|---|---|------------------------|------------------|------------------------|---|---------|------|---------------|----------------|-------------|--|--|
| Legal status | Insurance Joint Stock Company | | | | | | | | | | | |
| Number, place and date of registration | 40103840140, registered in Riga, Latvia on 28 October 2014 | | | | | | | | | | | |
| Address | Sporta 11, Riga, Latvia, LV-1013 | | | | | | | | | | | |
| Members of the Board and their positions | Wolfgang Stockmeyer – Chairman of the Management Board Oskars Hartmanis – Deputy Chairman of the Management Board Evija Matveja – Member of the Management Board Tadeuš Podvorski – Member of the Management Board | | | | | | | | | | | |
| Members of the Council and their positions | Peter Franz Hoefinger – Chairman of the Council Franz Fuchs – Deputy Chairman of the Council Elisabeth Stadler – Deputy Chairman of the Council Jan Bogutyn – Member of the Council Artur Borowski – Member of the Council | | | | | | | | | | | |
| Reporting Period | 01.01.2021 – 30.06.2021 | | | | | | | | | | | |
| Shareholder structure at the end of reporting period | <table border="1"> <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 style="text-align: right;">Total:</td> <td>416 094</td> <td>100%</td> </tr> </tbody> </table> | Shareholder | Number of shares | % of the share capital | VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe | 416 094 | 100% | Total: | 416 094 | 100% | | |
| Shareholder | Number of shares | % of the share capital | | | | | | | | | | |
| VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe | 416 094 | 100% | | | | | | | | | | |
| Total: | 416 094 | 100% | | | | | | | | | | |
| Face value of one share | EUR 100.00 | | | | | | | | | | | |
| Subscribed share capital | EUR 41 609 400 | | | | | | | | | | | |
| Paid-up share capital | EUR 41 609 400 | | | | | | | | | | | |
| Foreign branches | Lithuania, Estonia | | | | | | | | | | | |

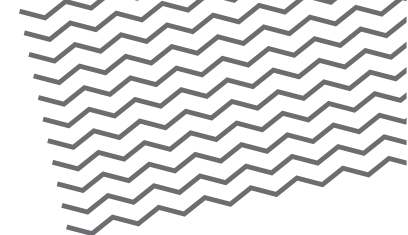
Balance Sheet

| Item | At the end of the Reporting Period, EUR | At the end of the Previous Reporting Year, EUR |
|---|---|--|
| Tangible assets | 2 866 872 | 2 976 883 |
| Investments in land lots and buildings | 5 864 929 | 6 732 720 |
| Intangible assets | 3 471 805 | 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 | 1 663 795 | 1 605 507 |
| Classified as financial assets at fair value through other comprehensive income | 233 813 411 | 224 920 050 |
| Classified as financial assets at amortized cost | 70 767 195 | 64 637 073 |
| Accrued income and deferred expenses | 12 333 233 | 11 643 126 |
| Tax assets | 221 975 | 221 975 |
| Ceded reinsurance and retrocession contracts | 76 470 727 | 73 413 685 |
| Cash on hand and claims on demand on credit institutions | 15 224 957 | 31 397 288 |
| Total assets | 423 313 176 | 421 164 091 |
| Capital and reserves | 65 203 432 | 71 897 085 |
| Insurance and reinsurance liabilities | 304 294 041 | 289 218 369 |
| Classified as financial liabilities at fair value through profit and loss | - | - |
| Financial liabilities at amortized cost | 48 990 700 | 54 459 292 |
| Provisions | 3 845 431 | 3 714 956 |
| Tax liabilities | 248 667 | 863 220 |
| Accrued expenses and deferred income | 730 905 | 1 011 168 |
| Total liabilities | 358 109 744 | 349 267 005 |
| Total capital and reserves, and liabilities | 423 313 176 | 421 164 091 |

Income Statement

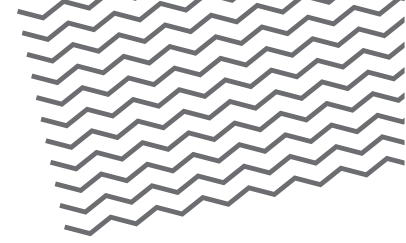
| Item | For the Reporting Period, EUR | For the Respective Period of the Previous Reporting Year, EUR |
|--|----------------------------------|---|
| Earned premiums | 76 427 745 | 76 702 329 |
| Other technical income, net | 156 566 | 457 709 |
| Incurred claims, net | (52 924 909) | (48 977 023) |
| Changes in life insurance technical reserves | - | - |
| Changes in other technical reserves | - | - |
| Gratuities, net | - | - |
| Net operating expenses | (18 369 054) | (19 206 703) |
| Other technical expenses, net | (136 912) | (79 785) |
| Changes in equalization reserves | - | - |
| Investment management expenses/income and commission payments | (402 853) | (371 616) |
| Net interest income and dividend income | 1 114 412 | 1 083 420 |
| Net profit/loss from derecognition of the financial assets and financial liabilities not classified at fair value through profit and loss | - | (63 315) |
| Net profit/loss from the financial assets and financial liabilities classified at fair value through profit and loss | 28 717 | (1 473) |
| Revaluation result of foreign currencies | 135 554 | 167 777 |
| Profit/loss from derecognition of tangible assets, investments in buildings for ensuring own activities, investments in property and intangible assets | 421 175 | 65 066 |
| Depreciation | (1 960 009) | (1 615 948) |
| 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 | 4 490 432 | 8 160 438 |
| Profit tax | (455 882) | (486 483) |
| Profit/loss for the reporting period | 4 034 550 | 7 673 955 |
| Other comprehensive income | (1177 231) | (792 943) |

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



| | Gross Premiums Written | | | Gross Claims Paid | | | Net operating expenses |
|---|------------------------|--|-------------------|-------------------|--|------------------|------------------------|
| | Total | for agreements signed in Latvia | | Total | for agreements signed in Latvia | | |
| | | incl. agreements signed with private persons | | | incl. agreements signed with private persons | | |
| Non-life insurance | 109 394 540 | 40 723 226 | 10 592 819 | 62 861 235 | 23 420 196 | 5 960 413 | 18 369 054 |
| Accident insurance | 3 248 080 | 1 340 413 | 752 749 | 1 185 907 | 448 765 | 197 456 | 44 765 |
| Health Insurance | 18 695 734 | 14 489 914 | 8 103 | 11 149 375 | 8 902 385 | - | 2 647 912 |
| Motor vehicle insurance (other than railway) | 26 747 228 | 8 309 644 | 4 209 765 | 17 232 620 | 5 382 366 | 2 691 183 | 7 158 298 |
| Railway transport insurance | 155 898 | 35 831 | - | (15 370) | (15 370) | - | 29 305 |
| Aircraft insurance | 152 195 | 6 346 | (60) | 42 508 | 41 583 | - | 12 118 |
| Vessel insurance | 663 270 | 358 938 | 24 441 | 1 652 167 | 617 247 | - | 40 764 |
| Cargo insurance | 652 723 | 492 934 | - | 4 788 | (2 339) | - | 139 390 |
| Property insurance against fire and natural disaster damages and other risks | 14 489 843 | 6 397 505 | 2 485 577 | 7 129 396 | 3 539 468 | 884 867 | 3 679 725 |
| Civil liability insurance of motor vehicle owners, incl. compulsory civil liability insurance of motor vehicle owners | 31 255 377 | 4 973 566 | 2 469 090 | 21 674 251 | 4 045 577 | 2 063 244 | 2 513 211 |
| Civil liability insurance of aircraft owners | 201 046 | 31 413 | 4 744 | 7 709 | - | - | 9 893 |
| Civil liability insurance of vessel owners | 125 605 | 75 179 | 3 562 | 16 287 | 369 | 369 | 542 |
| General civil liability insurance | 5 648 422 | 1 260 030 | 265 910 | 1 436 669 | 208 382 | 58 347 | 976 526 |
| Loan insurance | 374 596 | 374 596 | - | 124 515 | 124 515 | - | 9 738 |
| Guarantee insurance | 4 411 313 | 1 836 141 | - | (35 803) | (52 027) | - | 235 666 |
| Insurance of various financial losses | 244 888 | 60 249 | 70 | 355 851 | 69 517 | - | 52 728 |
| Insurance of legal expenses | 7 591 | 7 591 | 7 136 | 462 | 462 | 462 | 1 497 |
| Assistance insurance | 2 320 731 | 672 936 | 361 732 | 899 903 | 109 296 | 64 485 | 816 976 |

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 (%) | 69.25 | 48.53 | 81.12 | 76.58 | (19.45) | 133.96 | 103.24 | 24.72 | 65.13 | 84.08 | 99.24 | (22.3) | 2.82 | (7.42) | (25.73) | 187.71 | 6.47 | 35.74 |
| Expense ratio (%) | 26.78 | 8.2 | 20.9 | 30.57 | 27.03 | 22.87 | 43.02 | 29.41 | 33.14 | 21.09 | 18.38 | 6.01 | 29.59 | 16.58 | 15.96 | 33.92 | 20.11 | 41.2 |
| Combined ratio (%) | 96.03 | 56.73 | 102.02 | 107.15 | 7.58 | 156.82 | 146.27 | 54.13 | 98.28 | 105.17 | 117.63 | (16.3) | 32.4 | 9.16 | (9.77) | 221.63 | 26.58 | 76.94 |



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

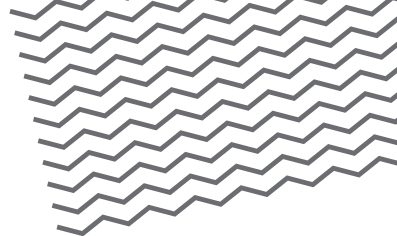
| No. | Item | In reporting period |
|------|---|---------------------|
| 1 | Basic own funds before deduction | 71 535 335 |
| 2 | Deductions for participations in financial and credit institutions | - |
| 3 | Total basic own funds after deductions (1-2.) | 71 535 335 |
| 4 | Total ancillary own funds | - |
| 5 | Available and eligible own funds | 71 535 335 |
| 5.1. | Total available own funds to meet the Solvency Capital requirements | 71 535 335 |
| 5.2. | Total available own funds to meet the Minimum Capital requirements | 71 535 335 |
| 5.3. | Total eligible own funds to meet the Solvency Capital requirements | 71 535 335 |
| 5.4. | Total eligible own funds to meet the Minimum Capital requirements | 68 835 853 |
| 6 | Solvency Capital requirements | 51 242 538 |
| 7 | Minimum Capital requirements | 21 502 587 |
| 8 | Ratio of Eligible own funds to Solvency Capital requirements | 139.60% |
| 9 | Ratio of Eligible own funds to Minimum Capital requirements | 320% |



Key Cooperation Partners

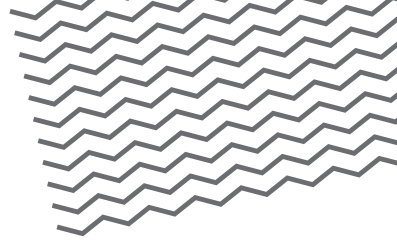
Reinsurers

| 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 2021

In the second quarter of this year, the insurance sector showed more positive trends. As vaccination rates increased, the Baltic governments continued to review the restrictions and change them, which had a more positive effect on economic development in general. In turn, BTA has expanded its activities, offering customers new services.

With the introduction of the innovative tool DriveX, customers were actively addressed about the use of this opportunity, which is being evaluated by more and more BTA car policy holders every month. Also at the end of the quarter, BTA started to introduce customers to a new option – subscription to MTPL and CASCO policies. Also, several significant improvements have been made to internal systems and processes.

Continuing to implement BTA's Corporate Social Innovation Strategy, further development of the BTA Velomaster (BTA Velozinis) project was promoted, as well as the certification of BTA Central Office in cooperation with the World Wide Fund was completed, as a result of which the Green Office certificate was obtained.

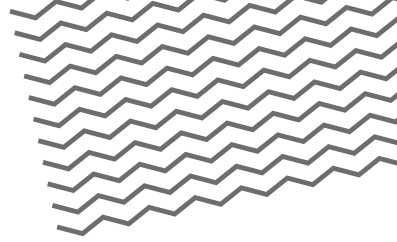
In 2021, the Company continues to focus on the development of previously launched projects, introducing new and high-level digital projects.

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, the dynamics of gross written premiums and product profitability, as well as continues to perform various stress tests.

In 2021, the Company continues to review internal processes and makes 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. Taking care of security measures in the process of on-site customer service, BTA and its employees will continue to follow the restrictions set in the country and recommendations for improving the epidemiological situation.

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/>