



BTA Baltic Insurance Company AAS

PUBLIC QUARTERLY REPORT 1ST QUARTER 2019

This Report is prepared in accordance with the Financial and Capital Market Commission Regulations No. 147 "Regulations on Preparation of Public Quarterly Reports of the Insurers" of 31 August 2016.

The Report includes the summarized information on the Company's activity over the period **from January 1st until March 31st 2019.**

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	Franz Fuchs – Chairman of the Council Elisabeth Stadler – Deputy Chairman of the Council Jan Bogutyn – Member of the Council Artur Borowinski – Member of the Council												
Reporting Period	01.01.2019 – 31.03.2019												
Shareholder structure at the end of reporting period	<table><thead><tr><th>Shareholder</th><th>Number of shares</th><th>% of the share capital</th></tr></thead><tbody><tr><td>VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe</td><td>377 920</td><td>90.83%</td></tr><tr><td>Balcia Insurance SE</td><td>38 174</td><td>9.17%</td></tr><tr><td>Total:</td><td>416 094</td><td>100%</td></tr></tbody></table>	Shareholder	Number of shares	% of the share capital	VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe	377 920	90.83%	Balcia Insurance SE	38 174	9.17%	Total:	416 094	100%
Shareholder	Number of shares	% of the share capital											
VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe	377 920	90.83%											
Balcia Insurance SE	38 174	9.17%											
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	2 089 688	1 982 501
Investments in land lots and buildings	9 495 335	2 650 185
Intangible assets	1 637 474	1 542 091
Investments in share capital of related companies	-	-
Investments in share capital of associated companies	-	-
Classified as financial assets at fair value through profit and loss	1 771 379	1 748 077
Classified as financial assets at fair value through other comprehensive income	206 776 226	198 440 882
Classified as financial assets at amortized cost	47 131 393	43 638 386
Accrued income and deferred expenses	10 278 470	9 481 526
Tax assets	291 493	282 051
Ceded reinsurance and retrocession contracts	66 118 799	64 676 036
Cash on hand and claims on demand on credit institutions	15 130 413	15 849 680
Total assets	360 720 670	340 291 415
Capital and reserves	59 928 732	54 095 750
Insurance and reinsurance liabilities	261 221 622	249 996 297
Classified as financial liabilities at fair value through profit and loss	-	-
Financial liabilities at amortized cost	34 602 068	30 807 444
Provisions	2 535 157	2 930 395
Tax liabilities	759 403	619 917
Accrued expenses and deferred income	1 673 688	1 841 612
Total liabilities	300 791 938	286 195 665
Total capital and reserves, and liabilities	360 720 670	340 291 415

Income Statement

Item	For the Reporting Period, EUR	For the Respective Period of the Previous Reporting Year, EUR
Earned premiums	37 945 366	35 345 915
Other technical income, net	105 477	91 570
Incurred claims, net	(26 871 858)	(23 289 912)
Changes in life insurance technical reserves	-	-
Changes in other technical reserves	-	-
Gratuities, net	-	-
Net operating expenses	(9 751 896)	(9 122 408)
Other technical expenses, net	(78 772)	(74 514)
Changes in equalization reserves	-	(500 000)
Investment management expenses/income and commission payments	(179 657)	(114 004)
Net interest income and dividend income	448 376	349 441
Net profit/loss from derecognition of the financial assets and financial liabilities not classified at fair value through profit and loss	(300)	13 672
Net profit/loss from the financial assets and financial liabilities classified at fair value through profit and loss	(3 020)	(2 041)
Revaluation result of foreign currencies	139 571	(79 433)
Profit/loss from derecognition of tangible assets, investments in buildings for ensuring own activities, investments in property and intangible assets	196 077	216 586
Depreciation	(330 549)	(305 073)
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	1 618 815	2 529 798
Profit tax	(1 160)	-
Profit/loss for the reporting period before taxes	1 617 655	2 529 798
Other comprehensive income	4 215 327	(1 025 524)

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	56 370 134	22 181 009	4 941 871	39 101 540	18 658 469	2 941 488	10 082 445
Accident insurance	1 649 480	839 503	475 914	419 761	159 834	65 687	414 028
Health Insurance	10 217 134	8 544 400	15 083	5 560 125	4 992 089	12 191	1 134 904
Motor vehicle insurance (other than railway)	13 382 496	4 441 158	1 746 657	7 621 292	2 708 150	1 139 809	3 375 876
Railway transport insurance	147 127	16 478	0	352 801	886	0	15 660
Aircraft insurance	24 377	8 750	0	750	0	0	3 598
Vessel insurance	563 427	441 417	1 215	826 303	764 834	0	(91 564)
Cargo insurance	289 056	181 742	0	115 065	106 167	0	67 852
Property insurance against fire and natural disaster damages and other risks	5 620 685	2 423 860	851 581	5 673 440	1 106 000	377 745	1 457 548
Civil liability insurance of motor vehicle owners	14 877 185	6 447	140	8 813 608	0	0	2 159 181
Civil liability insurance of aircraft owners	13 270	3 562	145	18	0	0	2 898
Civil liability insurance of vessel owners	24 312	(6 577)	90	109	0	0	(2 562)
General civil liability insurance	2 558 617	589 719	92 021	628 337	210 243	20 973	499 827
Loan insurance	163 986	163 986	0	21 479	21 479	0	3 263
Guarantee insurance	1 643 491	570 905	643	5 603 481	5 561 660	0	223 558
Insurance of various financial losses	172 240	80 026	0	1 666	1 666	0	22 410
Insurance of legal expenses	3 566	3 566	3 284	30	30	0	1 138
Assistance insurance	1 652 490	504 873	336 809	618 603	180 759	66 819	633 635
Compulsory civil liability insurance of motor vehicle owners	3 367 194	3 367 194	1 418 289	2 844 672	2 844 672	1 258 265	161 194

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	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	Compulsory civil liability insurance of motor vehicle owners
Loss ratio (%)	70.82	39.40	87.62	65.63	58.23	(273.83)	91.98	189.70	71.79	77.56	0.09	2.64	61.39	(3.22)	24.80	83.76	1.27	45.72	90.25
Expense ratio (%)	26.78	37.42	19.51	27.90	22.04	20.18	(165.47)	35.46	29.32	30.64	15.28	(128.35)	29.18	12.65	22.38	26.21	17.00	39.18	9.21
Combined ratio (%)	97.60	76.82	107.13	93.53	80.27	(253.65)	(73.49)	225.16	101.11	108.20	15.37	(125.71)	90.57	9.43	47.18	109.97	18.27	84.90	99.46



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

No.	Item	In reporting period
1	Basic own funds before deduction	62 721 321
2	Deductions for participations in financial and credit institutions	-
3	Total basic own funds after deductions (1.-2.)	62 721 321
4	Total ancillary own funds	-
5	Available and eligible own funds	62 721 321
5.1.	Total available own funds to meet the Solvency Capital requirements	62 721 321
5.2.	Total available own funds to meet the Minimum Capital requirements	62 721 321
5.3.	Total eligible own funds to meet the Solvency Capital requirements	62 721 321
5.4.	Total eligible own funds to meet the Minimum Capital requirements	58 457 411
6	Solvency Capital requirements	48 524 802
7	Minimum Capital requirements	13 680 453
8	Ratio of Eligible own funds to Solvency Capital requirements	129%
9	Ratio of Eligible own funds to Minimum Capital requirements	427%



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 GLOBAL P&C 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
AON Benfield	Reinsurance mediation	Germany
Guy Carpenter	Reinsurance mediation	Germany



Operational Strategy and Objectives

Thanks to the excellent business growth, improvements in pricing of insurance products, further development of internal processes and information technology solutions, the Company succeeded in achieving strong positive financial results in year 2018 in all Baltic countries. This year the Company will continue with the previously commenced initiatives and plans.

The Company's goal this year remains on increasing its business volume, facilitated by strengthening and diversification of its insurance portfolio, and reducing the share of MTPL insurance. The Company sets higher goals in voluntary lines of insurance business, such as Property insurance, CASCO insurance and Assistance insurance.

Meanwhile, the Company is going to proceed with the started initiatives on improvement of processes and management efficiency in all areas of operations, which includes improvement of private and corporate customer service standards.

With the new strategy for the upcoming three years and its goal to be the preferred insurance service provider for its customers and partners, the Company's focus will be set on innovations and personnel development.

The Company has defined innovative internal culture, innovative products and continual improvements in processes and information technologies as the pillars of the new strategy.

The Company continuously strives to develop the knowledge, abilities and skills of all the members of its professional team. The Company invests into development, working environment and equipment of its sales and support employees. The Company is also planning to extend the training program, know-how sharing platforms, to focus on development of the leadership skills of its key managers, and on adding experts and young talents to the team.

The Company will further sustain its quick and high-quality decision-making, with a particular focus on improvement of insurance claims handling processes.

The Company will continue the previously started contemporary art project "BTA Art", aiming to reveal diversity in the artistic approaches and to popularize contemporary art among its employees and customers. The Company will continue to engage in the corporate social responsibility activities, demonstrating its attention to the issues significant for the society.



Departments and Branches of the Company

Customer service locations that offer BTA insurance services in Latvia:

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

Foreign branches:

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

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