



BTA Baltic Insurance Company AAS

PUBLIC QUARTERLY REPORT 2ND QUARTER 2020

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 June 30th 2020.**

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	01.01.2020 – 30.06.2020												
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%
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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	2 765 742	2 548 316
Investments in land lots and buildings	7 263 763	8 152 593
Intangible assets	2 433 585	1 538 026
Investments in share capital of related companies	505 877	505 877
Investments in share capital of associated companies	-	-
Classified as financial assets at fair value through profit and loss	1 376 946	1 758 043
Classified as financial assets at fair value through other comprehensive income	218 873 366	208 278 316
Classified as financial assets at amortized cost	66 488 693	62 768 081
Accrued income and deferred expenses	11 401 145	11 671 578
Tax assets	254 754	309 952
Ceded reinsurance and retrocession contracts	68 678 431	70 575 027
Cash on hand and claims on demand on credit institutions	27 895 241	26 825 080
Total assets	407 937 543	394 930 889
Capital and reserves	69 917 017	65 536 005
Insurance and reinsurance liabilities	291 797 036	280 781 705
Classified as financial liabilities at fair value through profit and loss	-	-
Financial liabilities at amortized cost	39 667 268	42 529 589
Provisions	2 847 358	2 961 932
Tax liabilities	265 763	748 805
Accrued expenses and deferred income	3 443 101	2 372 853
Total liabilities	338 020 526	329 394 884
Total capital and reserves, and liabilities	407 937 543	394 930 889

Income Statement

Item	For the Reporting Period, EUR	For the Respective Period of the Previous Reporting Year, EUR
Earned premiums	76 702 329	77 616 368
Other technical income, net	457 709	198 978
Incurred claims, net	(48 977 023)	(53 906 710)
Changes in life insurance technical reserves	-	-
Changes in other technical reserves	-	-
Gratuities, net	-	-
Net operating expenses	(19 206 703)	(18 058 141)
Other technical expenses, net	(79 785)	(220 497)
Changes in equalization reserves	-	-
Investment management expenses/income and commission payments	(371 616)	(393 548)
Net interest income and dividend income	1 083 420	934 917
Net profit/loss from derecognition of the financial assets and financial liabilities not classified at fair value through profit and loss	(63 315)	1 067 840
Net profit/loss from the financial assets and financial liabilities classified at fair value through profit and loss	(1 473)	(6 061)
Revaluation result of foreign currencies	167 777	47 605
Profit/loss from derecognition of tangible assets, investments in buildings for ensuring own activities, investments in property and intangible assets	65 066	300 655
Depreciation	(1 615 948)	(1 676 965)
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	8 160 438	5 904 441
Profit tax	(486 483)	-
Profit/loss for the reporting period	7 673 955	5 904 441
Other comprehensive income	(792 943)	7 617 186

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	106 710 970	41 179 312	10 148 614	60 144 171	23 512 794	5 242 110	20 822 651
Accident insurance	2 841 093	1 225 811	656 926	915 079	329 642	151 697	108 627
Health Insurance	17 732 639	15 190 050	4 937	9 153 072	7 890 293	5 854	2 438 148
Motor vehicle insurance (other than railway)	25 553 317	7 867 122	3 696 680	14 420 988	4 903 488	2 138 866	7 227 209
Railway transport insurance	173 826	30 349	0	1 010 118	8 841	0	26 304
Aircraft insurance	141 705	29 939	0	29 439	0	0	8 497
Vessel insurance	1 263 897	971 032	25 956	2 367 704	2 035 500	0	(140 249)
Cargo insurance	413 413	276 896	0	131 966	35 839	0	111 129
Property insurance against fire and natural disaster damages and other risks	12 291 299	5 583 932	2 290 631	6 320 229	2 489 172	828 084	3 201 678
Civil liability insurance of motor vehicle owners, incl. compulsory civil liability insurance of motor vehicle owners	34 138 112	5 494 783	2 797 188	22 782 977	4 639 806	1 919 786	5 068 474
Civil liability insurance of aircraft owners	156 894	22 216	3 465	0	0	0	4 048
Civil liability insurance of vessel owners	114 455	55 578	4 721	31 145	0	0	0
General civil liability insurance	4 070 649	1 054 588	249 922	1 387 758	711 093	37 842	965 053
Loan insurance	313 308	313 308	0	89 560	89 560	0	7 561
Guarantee insurance	4 794 103	2 285 713	85	151 109	0	0	313 530
Insurance of various financial losses	252 808	57 976	185	39 604	39 604	0	43 903
Insurance of legal expenses	7 089	7 089	6 541	31	31	0	10 919
Assistance insurance	2 452 363	712 930	411 377	1 313 392	339 925	159 980	1 427 820

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 (%)	63.85	50.35	68.00	58.26	20.89	101.99	311.09	177.65	54.56	80.01	71.94	99.74	19.75	(22.64)	100.84	84.35	(13.97)	41.02
Expense ratio (%)	27.25	9.09	18.18	28.48	17.97	18.27	(89.52)	28.53	28.77	30.75	26.84	(107.57)	28.53	11.33	16.69	34.82	135.83	54.79
Combined ratio (%)	91.10	59.44	86.18	86.74	38.86	120.26	221.57	206.18	83.33	110.76	98.78	(7.83)	48.28	(11.31)	117.53	119.17	121.86	95.81



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

No.	Item	In reporting period
1	Basic own funds before deduction	67 993 132
2	Deductions for participations in financial and credit institutions	-
3	Total basic own funds after deductions (1-2.)	67 993 132
4	Total ancillary own funds	-
5	Available and eligible own funds	67 993 132
5.1.	Total available own funds to meet the Solvency Capital requirements	67 993 132
5.2.	Total available own funds to meet the Minimum Capital requirements	67 945 997
5.3.	Total eligible own funds to meet the Solvency Capital requirements	67 993 132
5.4.	Total eligible own funds to meet the Minimum Capital requirements	65 429 550
6	Solvency Capital requirements	49 817 256
7	Minimum Capital requirements	22 417 765
8	Ratio of Eligible own funds to Solvency Capital requirements	136.49%
9	Ratio of Eligible own funds to Minimum Capital requirements	292%



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
SAGAUTA, UADBB	Insurance mediation	Lithuania
IIZI KINDLUSTUSMAAKLER AKTSIASELTS AS	Insurance mediation	Estonia
APDROŠINĀŠANAS UN FINANSU BROKERS SIA	Insurance mediation	Latvia
R&D APDROŠINĀŠANAS BROKERS SIA	Insurance mediation	Latvia
LEGATOR, UADBB	Insurance mediation	Lithuania
RIZIKOS CESIJA,UADBB	Insurance mediation	Lithuania
SOCIALINES GARANTIJOS, UADBB	Insurance mediation	Lithuania
BROKERU AĢENTŪRA-ROOT SIA	Insurance mediation	Latvia
DRAUDIMO BITES, UADBB	Insurance mediation	Lithuania
INSURANCE BROKERS GROUP,UADBB	Insurance mediation	Lithuania
PERLO DRAUDIMO BROKERIS,UADBB	Insurance mediation	Lithuania
DRAUDIMO BROKERIU ALJANSAS, UADBB	Insurance mediation	Lithuania
ODINEJA,UAB	Insurance mediation	Lithuania
EURORISK LATVIA SIA	Insurance mediation	Latvia
FT BROKER, UADBB	Insurance mediation	Lithuania
MARINE INSURANCE SERVICES SIA	Insurance mediation	Latvia
AON BALTIC LATVIJAS FILIĀLE UADBB	Insurance mediation	Latvia
INVESTICIJU BROKERIS, UADBB	Insurance mediation	Lithuania
MARSH SIA	Insurance mediation	Latvia
AON Benfield	Reinsurance mediation	Germany
Guy Carpenter	Reinsurance mediation	Germany



2020 operational strategy and goals

The second quarter of 2020 made changes in many processes throughout the Baltics. The worldwide spread of Covid-19, a disease caused by the coronavirus, also tested the Company's readiness for rapid response and ability to adapt to new conditions, which the Company implemented thanks to technological developments.

Despite the fierce competition in the Baltic insurance market, the Company has been able to show the best possible result, achieved with excellent results in such types of voluntary insurance as Health and Property insurance.

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

The company maintains a positive outlook for the future and expects the industry to recover in the coming periods. Therefore, one of the main focuses of the Company is currently the realization of ongoing projects, which will ensure an even higher level of technological development, maintaining as excellent, fast and convenient level of customer service in various sales channels according the current world situation with Covid- 19 prevalence.

In the second quarter of this year, the Company continued to work on streamlining several internal processes, which also included the confirmation of a new strategy. The Company defined the Diversity Strategy for the next three years, which determines the possibility for the Company's employees to receive equal rights, opportunities to balance work and leisure time, as well as to gain international experience.

The company also continues to actively implement the Focus areas of the overall strategy, focusing on innovation and people development. The company strives to be the most recognizable insurer's customers and partners. The Company also continues to develop the priority directions of the Corporate Social Innovation Strategy - health, social development and art. In the process of implementing the strategy, new, innovative activities valuable to the society and employees are planned.

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 Accident insurance. It is also important for the company to make quick and high-quality decisions in the claims settlement process, which further improves the fulfillment of customer needs.



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/>