



BTA Baltic Insurance Company AAS

PUBLIC QUARTERLY REPORT 3RD 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 September 30th 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	Peter Franz Hoefinger – Chairman of the Council from 20.06.2019 Franz Fuchs – Deputy Chairman of the Council from 20.06.2019; until then 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	01.01.2019 – 30.09.2019												
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%
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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												

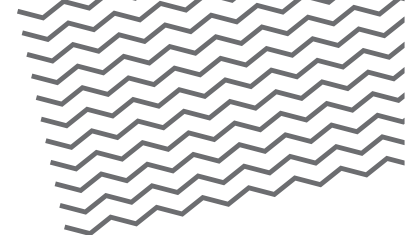
Balance Sheet

Item	At the end of the Reporting Period, EUR	At the end of the Previous Reporting Year, EUR
Tangible assets	1 999 054	1 982 501
Investments in land lots and buildings	9 199 904	2 650 185
Intangible assets	1 642 561	1 542 091
Investments in share capital of related companies	505 877	-
Investments in share capital of associated companies	-	-
Classified as financial assets at fair value through profit and loss	1 762 551	1 748 077
Classified as financial assets at fair value through other comprehensive income	209 731 536	198 440 882
Classified as financial assets at amortized cost	47 941 753	43 638 386
Accrued income and deferred expenses	10 497 291	9 481 526
Tax assets	1 266 783	282 051
Ceded reinsurance and retrocession contracts	65 691 551	64 676 036
Cash on hand and claims on demand on credit institutions	27 491 383	15 849 680
Total assets	377 730 244	340 291 415
Capital and reserves	65 575 619	54 095 750
Insurance and reinsurance liabilities	269 224 683	249 996 297
Classified as financial liabilities at fair value through profit and loss	-	-
Financial liabilities at amortized cost	37 654 314	30 807 444
Provisions	3 161 231	2 930 395
Tax liabilities	478 525	619 917
Accrued expenses and deferred income	1 635 872	1 841 612
Total liabilities	312 154 625	286 195 665
Total capital and reserves, and liabilities	377 730 244	340 291 415

Income Statement

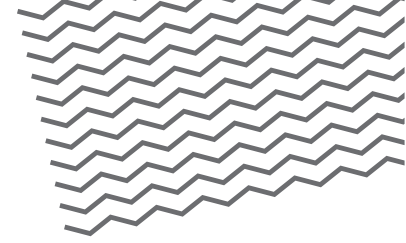
Item	For the Reporting Period, EUR	For the Respective Period of the Previous Reporting Year, EUR
Earned premiums	118 802 582	112 268 960
Other technical income, net	294 345	274 877
Incurred claims, net	(82 385 014)	(79 844 469)
Changes in life insurance technical reserves	-	-
Changes in other technical reserves	-	-
Gratuities, net	-	-
Net operating expenses	(28 889 881)	(25 628 911)
Other technical expenses, net	(226 801)	(429 660)
Changes in equalization reserves	-	106 693
Investment management expenses/income and commission payments	(576 159)	(281 864)
Net interest income and dividend income	1 492 376	1 196 290
Net profit/loss from derecognition of the financial assets and financial liabilities not classified at fair value through profit and loss	1 050 976	88 615
Net profit/loss from the financial assets and financial liabilities classified at fair value through profit and loss	(9 075)	(6 392)
Revaluation result of foreign currencies	82 144	(26 210)
Profit/loss from derecognition of tangible assets, investments in buildings for ensuring own activities, investments in property and intangible assets	507 444	571 138
Depreciation	(2 553 328)	(965 702)
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	7 589 609	7 323 365
Profit tax	-	-
Profit/loss for the reporting period before taxes	7 589 609	7 323 365
Other comprehensive income	9 840 404	(967 599)

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	162 381 160	62 074 663	16 876 375	106 602 343	46 765 754	8 804 714	31 443 209
Accident insurance	3 834 442	1 654 406	801 660	1 373 452	475 155	211 697	1 189 415
Health Insurance	22 423 059	19 584 937	19 987	14 529 067	12 849 430	27 872	3 179 784
Motor vehicle insurance (other than railway)	39 177 835	13 138 099	5 965 896	23 953 616	8 179 933	3 521 114	10 297 989
Railway transport insurance	310 886	65 088	0	364 418	11 018	0	52 406
Aircraft insurance	115 179	15 524	660	1 593	0	0	18 014
Vessel insurance	2 575 500	2 076 573	22 936	2 978 353	2 795 040	4 441	(254 347)
Cargo insurance	722 684	434 749	0	813 614	781 312	0	168 449
Property insurance against fire and natural disaster damages and other risks	18 003 590	8 075 673	3 219 988	16 804 531	6 871 194	1 142 463	4 851 319
Civil liability insurance of motor vehicle owners	45 171 139	16 680	140	26 691 956	0	0	5 473 709
Civil liability insurance of aircraft owners	161 156	19 923	4 436	186	0	0	19 148
Civil liability insurance of vessel owners	84 488	17 221	2 453	13 865	0	0	(9 047)
General civil liability insurance	6 690 346	1 590 886	349 162	2 810 932	369 697	62 751	1 485 558
Loan insurance	250 846	250 846	0	0	0	0	7 725
Guarantee insurance	5 697 215	2 349 161	726	6 053 199	5 582 227	0	737 276
Insurance of various financial losses	341 864	125 756	71	76 480	76 480	0	63 536
Insurance of legal expenses	12 225	12 225	11 322	576	576	434	3 256
Assistance insurance	6 037 321	1 875 531	1 324 647	1 919 824	557 011	244 821	2 798 273
Compulsory civil liability insurance of motor vehicle owners	10 771 385	10 771 385	5 152 291	8 216 681	8 216 681	3 589 121	1 360 746

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 (%)	69.35	42.13	77.87	63.49	173.77	(19.84)	200.20	51.05	75.95	87.79	4.10	64.94	55.03	(14.30)	23.53	64.70	9.76	33.30	82.53
Expense ratio (%)	26.66	34.42	17.62	27.52	24.04	23.76	(125.75)	27.96	30.73	25.23	23.37	(119.15)	27.92	10.49	22.15	28.36	18.20	47.61	24.86
Combined ratio (%)	96.01	76.55	95.49	91.01	197.81	3.92	74.45	79.01	106.68	113.02	27.47	(54.21)	82.95	(3.81)	45.68	93.06	27.96	80.91	107.39



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

No.	Item	In reporting period
1	Basic own funds before deduction	70 405 983
2	Deductions for participations in financial and credit institutions	-
3	Total basic own funds after deductions (1.-2.)	70 405 983
4	Total ancillary own funds	-
5	Available and eligible own funds	70 405 983
5.1.	Total available own funds to meet the Solvency Capital requirements	70 405 983
5.2.	Total available own funds to meet the Minimum Capital requirements	70 405 983
5.3.	Total eligible own funds to meet the Solvency Capital requirements	70 405 983
5.4.	Total eligible own funds to meet the Minimum Capital requirements	67 785 733
6	Solvency Capital requirements	48 663 893
7	Minimum Capital requirements	21 898 752
8	Ratio of Eligible own funds to Solvency Capital requirements	145%
9	Ratio of Eligible own funds to Minimum Capital requirements	310%

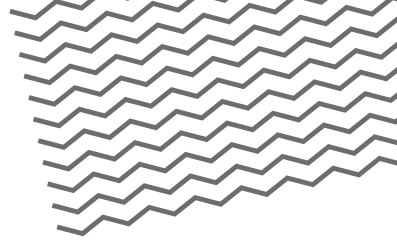
Key Cooperation Partners

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	Insurance mediation	Estonia
AKTSIASELTS AS		
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



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/>