



VIS: Third Quarter 2021 Results

The Company's consolidated interim financial statements for the first nine months of 2021 were confirmed by the Company's Board of Directors and CEO at a board meeting on 21 October 2021.

Highlights from Q3 2021

- Profit of ISK 2.2 billion compared to ISK 1 billion in the corresponding period in 2020.
- Underwriting results in the quarter were positive by ISK 628 million, versus a profit of ISK 358 million in the prior year.
- Combined ratio of 90.5% in the quarter, compared to 94.5% in the prior year.
- Premiums earned totalled ISK 5,955 million in the period, as compared to ISK 5,735 million in the same period last year.
- Investment income of ISK 2 billion, compared to ISK 1.1 billion in the corresponding period in 2020.

Highlights from 9M 2021

- Profit of ISK 6.7 billion in the first nine months of the year, versus a loss of ISK 15 million in the prior year period.
- Underwriting results in the period were positive by ISK 543 million, compared to a loss of ISK 1,210 million in the prior year period.
- Combined ratio of 97.7% in the first nine months of the year, versus 108.0% in the prior year.
- Investment income of ISK 7.1 billion in the first nine months of the year, versus ISK 2.6 billion in the prior year.

Helgi Bjarnason, CEO:

"Profit in the third quarter amounted to ISK 2.2 billion. The profit for the first nine months of the year is ISK 6.7 billion – compared to a loss of ISK 15 million in the prior year. The underwriting result in the quarter was positive by ISK 628 million and is in line with our expectations – profit was ISK 358 million in the corresponding period last year. The claims ratio for the quarter was 68.6% and has not been lower for three years. The combined ratio in the quarter was 90.5%, versus 94.5% in the prior year. We issued an earnings guidance at the beginning of the year which is still in effect - and we continue to expect the combined ratio for the year will be in the range of 97-99%.

Good investment result

Investment income in the quarter amounted to ISK 2 billion, equivalent to a 4.5% nominal return. Investment income since the beginning of the year amounts to ISK 7 billion and the nominal return is 16.2%. The majority of the investment income in the quarter came from equities, or around ISK 1.7 billion, including around 1 billion from listed equities and around 700 million from unlisted equities. The Company's investment assets now total ISK 46 billion and have never been higher.

Simply better insurances

During the quarter, we introduced a new and greatly improved purchase process for life and critical illness insurance. This is a digital process from beginning to end - where priority is placed on customer experience and automation. The purchase can now be completed in a matter of minutes. I am very proud of the improved insurance we introduced this year. Ökuvísir is a new addition to the Icelandic vehicle insurance market, with many of our customers now enjoying lower prices thanks to better driving. We also believe that we offer the best comprehensive insurance in Iceland - with the most complete protection available. These are simply better insurances.



Gender equality is a decision

We are proud to have eliminated the gender pay gap at the Company. Ever since we put gender equality at the forefront almost 20 years ago, we have achieved several important milestones. We were among the first companies to receive equal pay certification four years ago or at the end of 2017 - and in accordance with the certification, the pay gap has been insignificant and within approved limits. We have now reached the important milestone of having no gender pay gap at the Company. This is the result of many years of a concerted effort to eliminate the gender pay gap. I am therefore very proud of this achievement. We place great emphasis on gender equality – and it is worth noting that our management is now composed of equal number of men and women."

Outlook

The Company's long-term goal is for the combined ratio not to exceed 95% and the return on equity to be at least 15%. The combined ratio of each quarter will be presented in the Company's earnings reports, along with a discussion of the status of, and outlook for, the Company's operations.

Guidance for the 2021 combined ratio

The Company expects the combined ratio for the full year 2021 to be in the range of 97-99%.

The Company will notify investors if there is a change in the outlook for the full year's combined ratio, e.g. due to large losses or other factors that have a significant impact on the Company's operations and could be considered material for the price of the Company's shares.

Presentation

A presentation of the results for market participants and investors will be held on Friday, 22 October 2021, commencing at 8:30 a.m. local time at the Company's headquarters at Ármúli 3, Reykjavík. CEO Helgi Bjarnason will present the results and respond to questions.

It will be possible to watch a live stream and a recording of the presentation at: <https://vis.is/3-arsfjordungur-2021/> The presentation materials will be available at the same location.

Financial calendar

FY 2021 results || 24 February 2022
2022 AGM || 17 March 2022

Further information

For further information, please contact Erla Tryggvadóttir, Director of Communications, at +354 660 5260 or erlat@vis.is.



Income Statement

	Q3 2021	Q3 2020	Var.	Var. %	9M 2021	9M 2020	Var	Var %
Premiums earned	5.955	5.735	219	3,8%	17.124	16.934	190	1,1%
Premiums earned, reinsurers' share	-214	-149	-65	43,5%	-568	-547	-22	3,9%
Premiums earned, net of reinsurance	5.741	5.587	155	2,8%	16.556	16.387	169	1,0%
Investment income	2.009	1.110	899	81,0%	7.067	2.560	4.506	-
Other income	14	19	-5	-26,0%	50	46	4	9,8%
Total income	7.764	6.716	1.049	15,6%	23.673	18.993	4.680	24,6%
Claims incurred	-4.085	-4.228	143	-3,4%	-13.221	-14.266	1.045	-7,3%
Claims incurred, reinsurers' share	40	34	6	17,1%	795	179	616	-
Claims incurred, net of reinsurance	-4.045	-4.194	149	-3,6%	-12.426	-14.087	1.661	-11,8%
Technical interest rates and exchange rate changes of technical provisions	27	-83	111	-	230	-733	962	-
Operating expenses	-1.226	-1.176	-50	4,3%	-4.042	-3.967	-75	1,9%
Interest expenses & impairment of acc. receivables	-83	-111	28	-25,3%	-283	-294	11	-3,7%
Total expenses	-5.326	-5.564	238	-4,3%	-16.522	-19.080	2.559	-13,4%
Profit (loss) before income taxes	2.438	1.152	1.286	-	7.151	-87	7.238	-
Income taxes	-207	-120	-88	73,2%	-418	73	-490	-
Profit (loss) for the period	2.231	1.032	1.199	-	6.734	-15	6.748	-
Claims & reinsurance cost ratio	71,5%	75,7%			75,9%	86,4%		
Expense ratio	19,0%	18,8%			21,9%	21,6%		
Combined ratio	90,5%	94,5%			97,7%	108,0%		
Return on equity	12,1%	7,0%			36,6%	-0,1%		
Return on investments	4,5%	2,9%			16,2%	6,9%		
Basic and diluted earnings per share	1,24	0,58			3,74	-0,01		

Balance Sheet

	30.09.2021	31.12.2020
Assets		
Operating assets	487	606
Goodwill and other intangible assets	1.716	1.670
Right-of-use asset	724	798
Tax asset	0	36
Financial assets at fair value through profit or loss	43.793	38.839
Bonds and other long-term receivables	1.160	1.438
Investments, life-insurance unit-linked policies	1.756	1.622
Accounts receivables	7.703	6.496
Reinsurance assets	1.227	887
Other receivables	868	795
Cash and cash equivalents	1.325	1.576
Total assets	60.758	54.762
Equity		
Share capital	1.800	1.894
Statutory reserve	626	626
Other reserves	11.386	5.455
Retained earnings	6.714	9.017
Total equity	20.526	16.992
Liabilities		
Subordinated bonds	2.948	2.889
Tax liability	113	0
Lease liability	765	831
Technical provision	32.525	30.073
Technical provision for life-insurance unit-linked policies	1.756	1.622
Accounts payables and other liabilities	2.127	2.355
Total liabilities	40.232	37.770
Total equity and liabilities	60.758	54.762