



Investor Presentation

Q3 - 2021

October 22nd, 2021

/ Highlights

vís



Equities perform well

- Investment income of ISK 2 billion and 4.5% nominal return
- 16.2% nominal return since beginning of year
- Equities drive strong results
- Planned share buy-backs – 50 million shares by nominal value. The repurchases are subject to regulatory approval



Combined ratio of 90.5% in the quarter

- Q3 pre-tax profit of ISK 2.4 billion
- Strong underwriting result – ISK 628 million
- Claims ratio of 68.6%, the lowest in three years



Simply better insurance

- New and greatly improved purchase process for life and critical illness insurance
- Majority of drivers with Ökuvísir have greatly improved their driving
- Continued development of Ökuvísir – drivers can now compete for the “best driving”

Highlights– Q3 2021



Premiums
ISK 5.955 m.kr

Q3 2020 || 5.735 m.kr

Profit
ISK 2.231 m.kr

Q3 2020 || 1.032 m.kr

Combined Ratio
90,5%

Q3 2020 || 94,5%

ROI
4,5%

Q3 2020 || 2,9%

ROE*
12,1%

Q3 2020 || 7,0%

*ROE for the quarter
45% annualized

Solvency Ratio
1,68

Q3 2020 || 1,64



Highlights – 9M 2021



Premiums
17.124 m.kr.

9M 2020 || 16.934 m.kr

Profit
6.734 m.kr.

9M 2020 || -15 m.kr

Combined Ratio
97,7%

9M 2020 || 108,0%

ROI
16,2%

9M 2020 || 6,9%

ROE
36,6%*

9M 2020 || -0,1%

*ROE for first half of the year
49% annualized

Solvency Ratio
1,68

9M 2020 || 1,64



/ 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		

Changes in Premiums



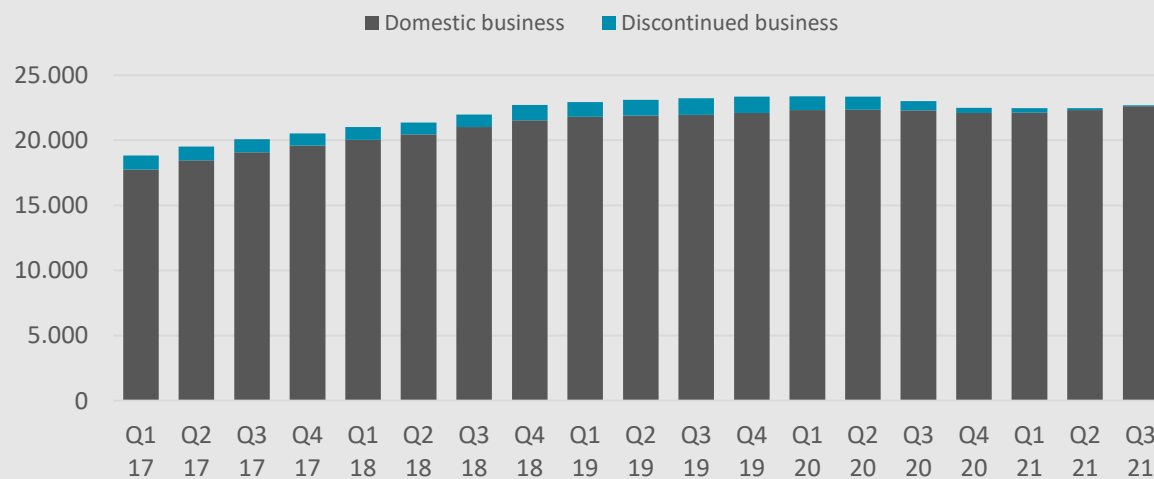
Premiums

	Q3 21	Q3 20	Q3 21 vs 20	Q3 20 vs 19
Non-life insurance	5.542	5.279	5,0%	-1,3%
Life insurance	399	377	6,0%	3,8%
Discontinued business**	14	80	-82,9%	-78,4%
Total	5.955	5.735	3,8%	-5,7%

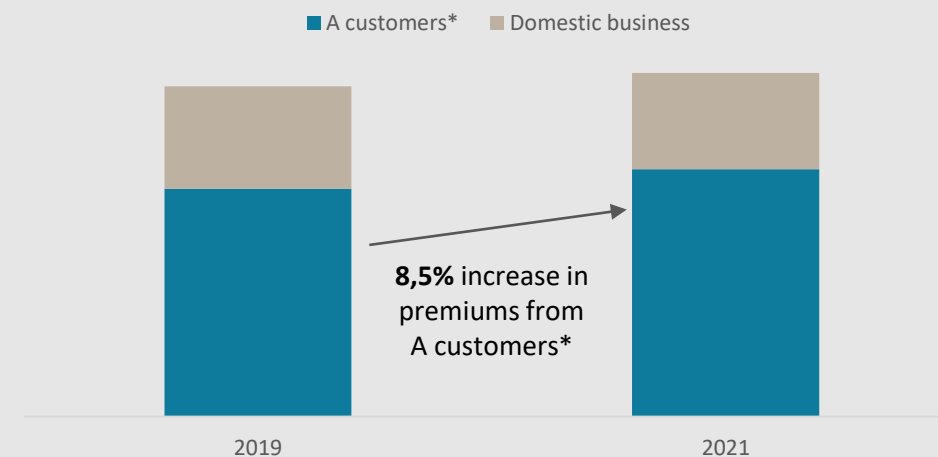
Non-Life Premium Development



Premium Development 12 months rolling – In millions



Profitability over growth



*The most profitable customer group

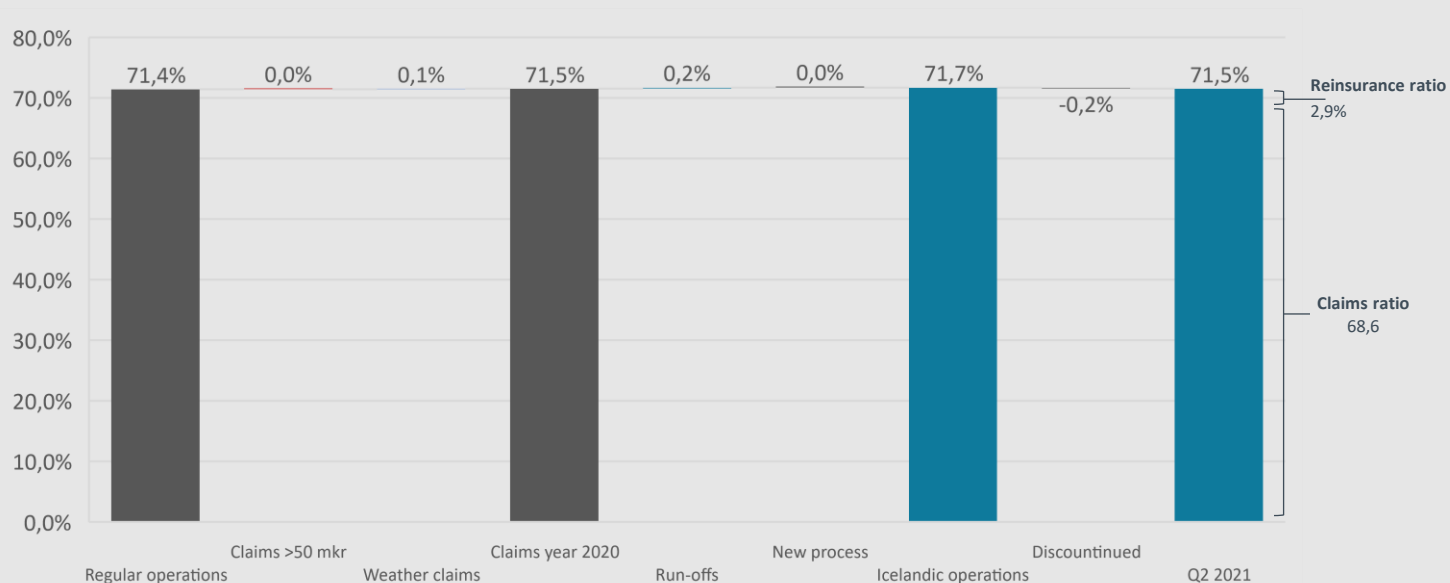
**Exit from foreign reinsurance

/ Development in Claims

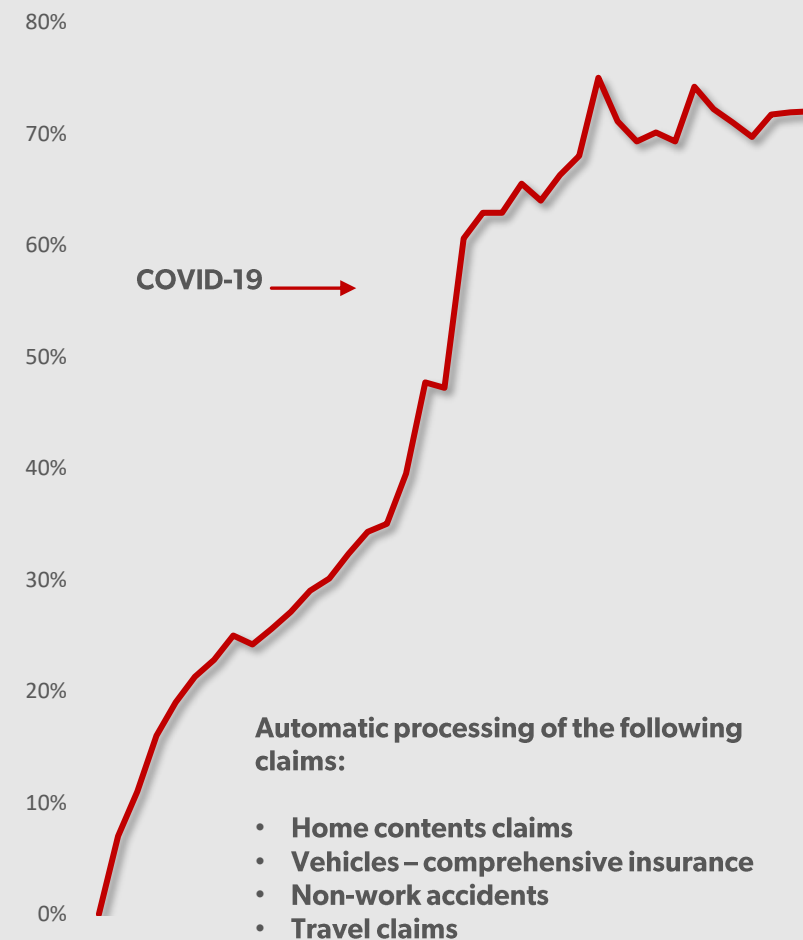


Claims Incurred

	Q3 21	Q3 20	Q3 21 vs 20	Q3 20 vs 19
Non-life insurance	3.896	3.983	-2,2%	-10,8%
Life insurance	202	120	68,0%	-32,0%
Discontinued business*	-12	125	-109,8%	-39,4%
Total	4.085	4.228	-3,4%	-12,8%



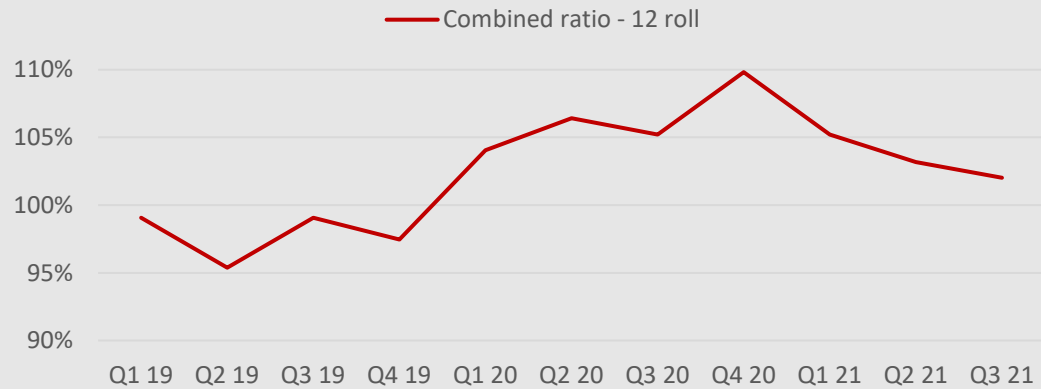
Percentage of digital claims



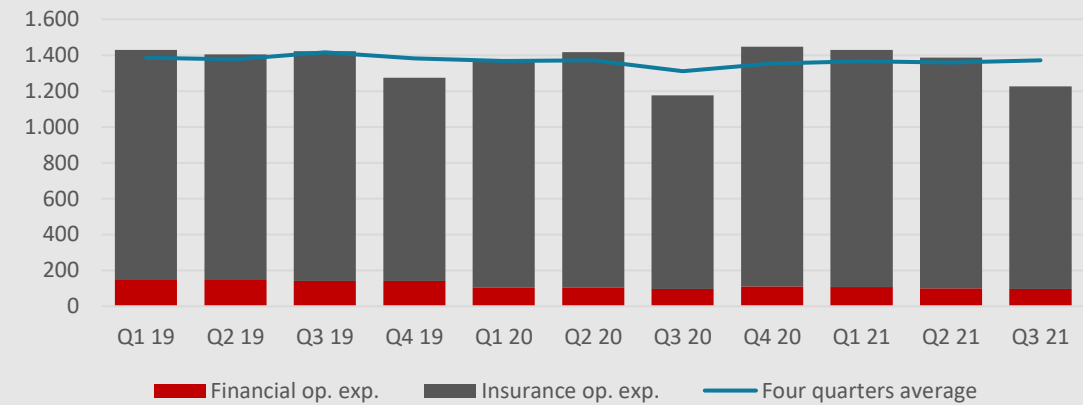
Operations



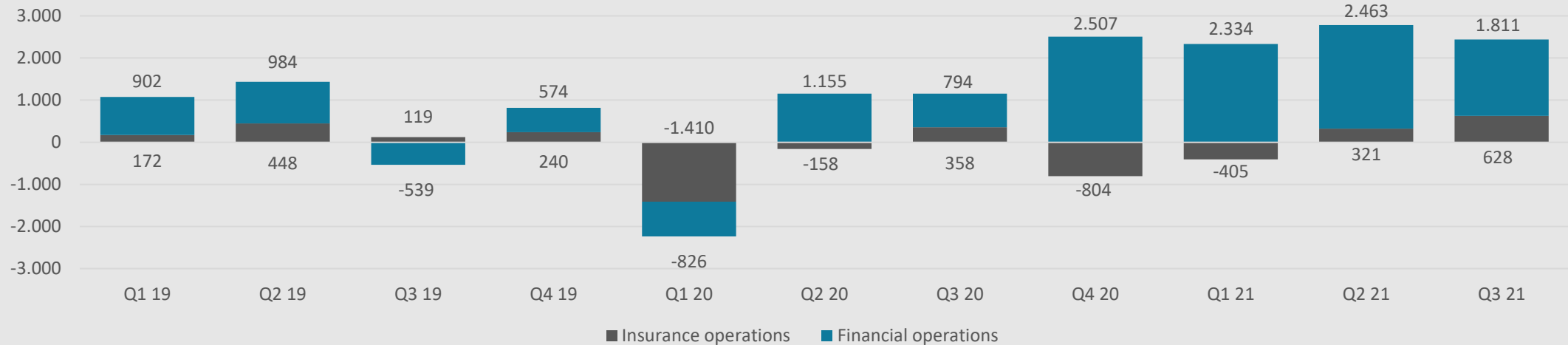
Combined Ratio 12 Months Rolling



Operating Expenses



Operating Segments

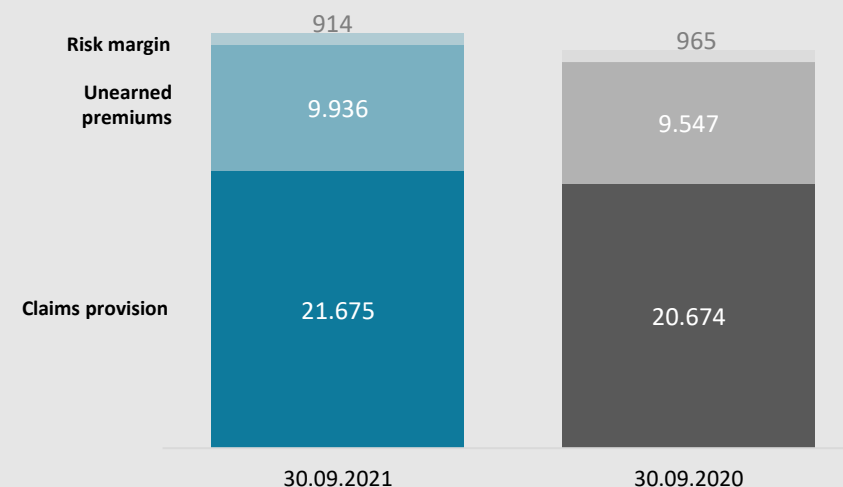


/ Balance Sheet

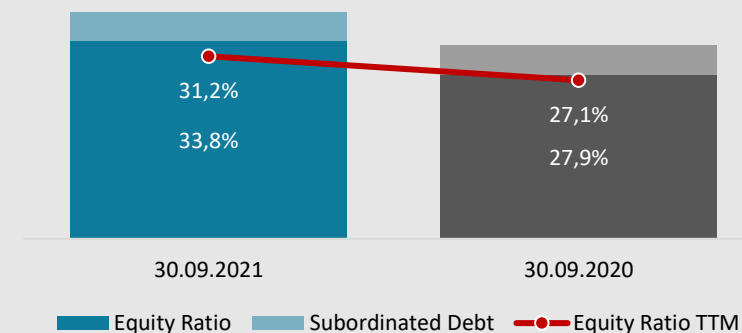


Assets	30.09.2021	31.12.2020
Operating assets	487	606
Goodwill and other intangible assets	1.716	1.670
Right-of-use asset	724	798
Tax asset	0	36
Financial assets at fair value through profit or loss	43.793	38.839
Bonds and other long-term receivables	1.160	1.438
Investments, life-insurance unit-linked 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

Technical Provision



Equity Ratio



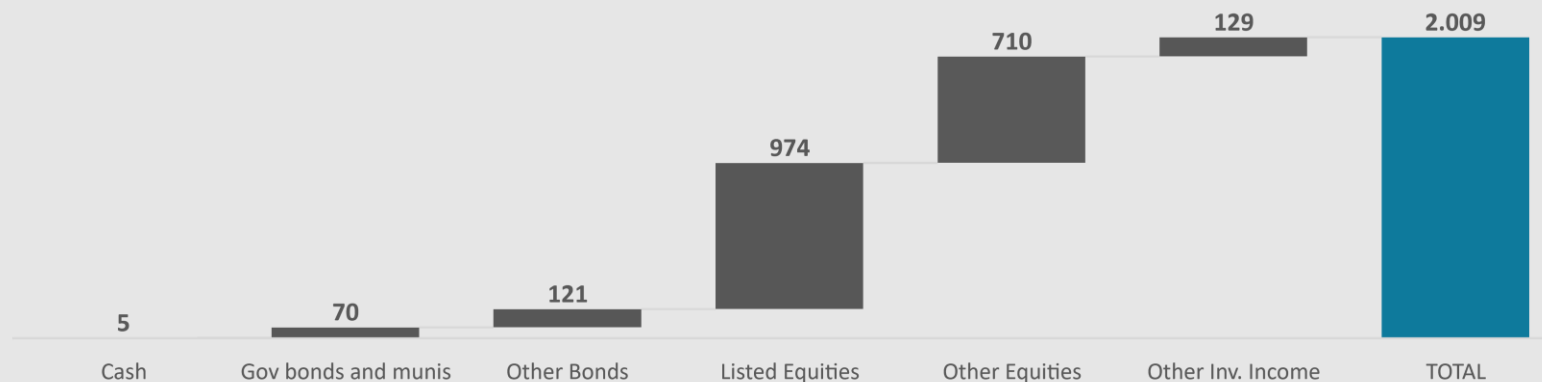


Investments

Investment Income and Return Q3

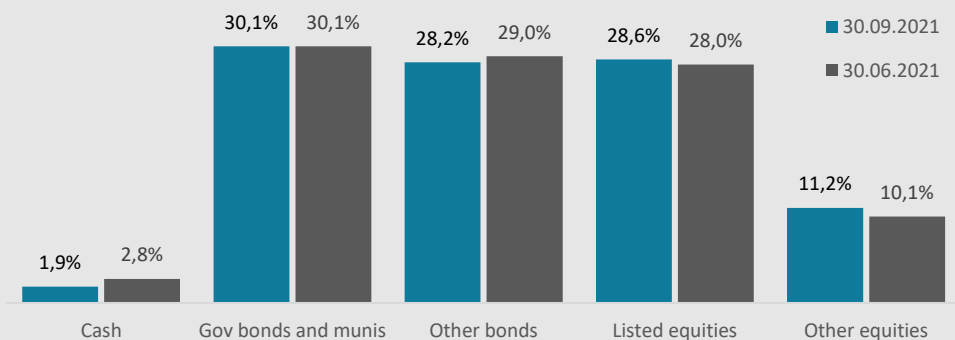


Investment Income Q3 2021 ISK bn.

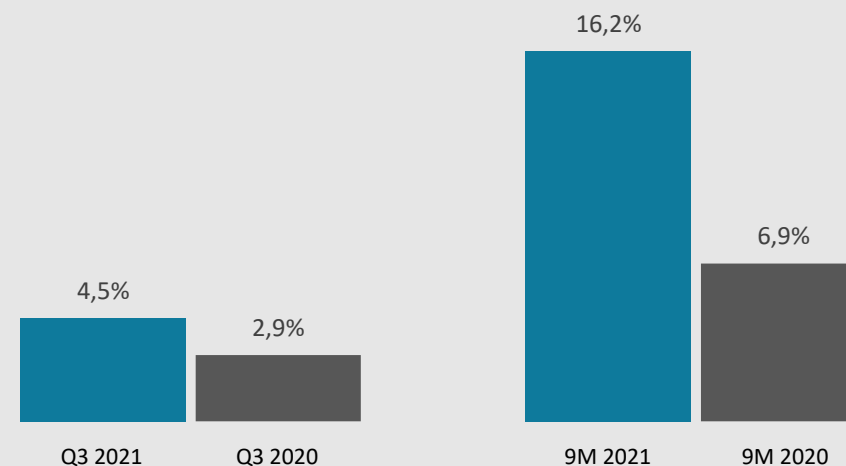


- **Strong quarter in investments** with 4,5% return
- Largest part of investment income comes from **equities** or ISK 1,7 bn. of total 2,0 bn.
- **Unlisted equities** return 15,5%. Stakes in Controlant and Blue Lagoon with highest return in the quarter
- **Listed shares** rose by 8,1%

Asset Allocation



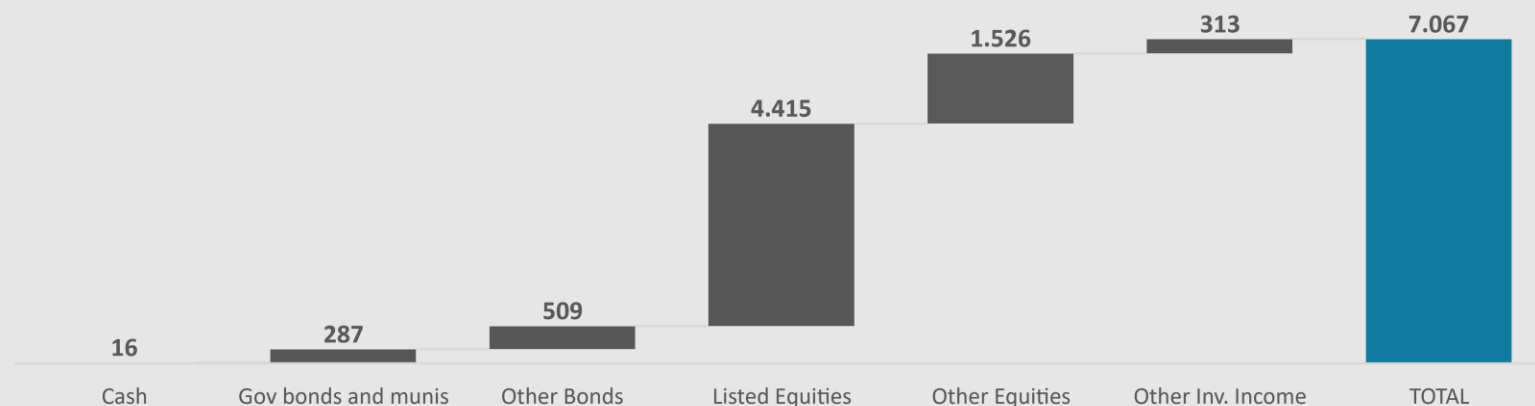
Return on Investments



Investment Income and Return 9M

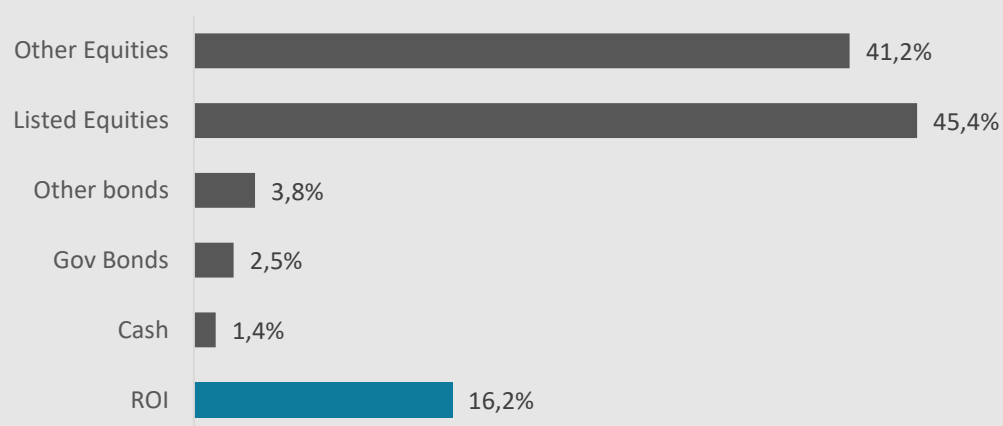


Investment Income 9M 2021 ISK bn.

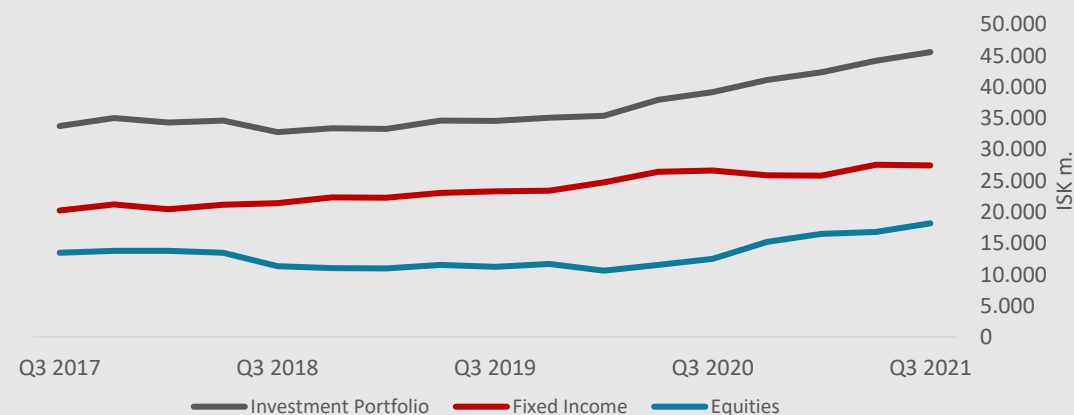


- **ROI** 16,2% first 9 months of the year
- **Investment income** ISK 7,1 bn.
- **Listed equities** return 45,4% and ISK 4,4 bn.
- **Unlisted equities** return 41,2% and 1,5 bn.
- **Fixed income** returns ISK 900 million and other fixed income the largest part
- **Investment Portfolio** currently at ISK 46 bn.

Return Asset Classes 9M 2021



Investment Portfolio size

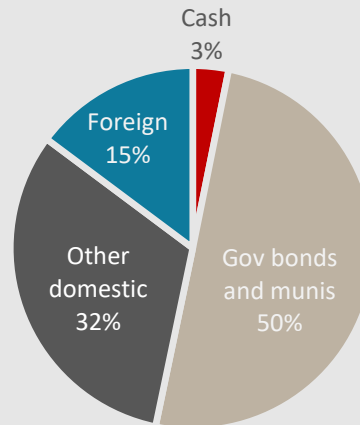


Investment Assets



Fixed income and Cash 28 ma.kr.

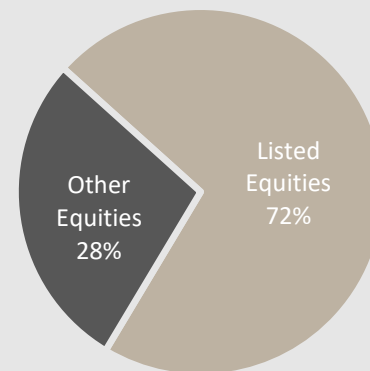
- Duration 3,4 years
- Inflation indexation 48% of domestic part
- Foreign bonds fx hedged against ISK



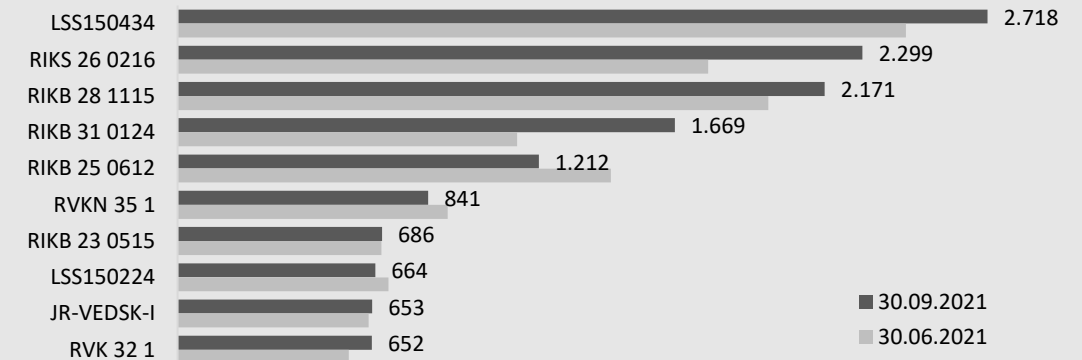
Equities 18 ma.kr.

5 largest unlisted equities

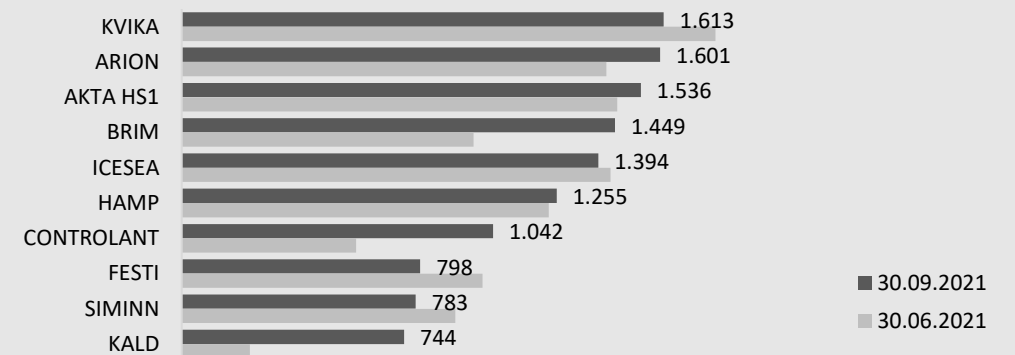
Controlant	1.042 m.kr.
Coripharma	718 m.kr.
Hvatning	620 m.kr.
Kerecis	442 m.kr.
Ölgerðin	332 m.kr.



10 largest Fixed Income holdings in ISK m.



10 largest Equity holdings in ISK m.

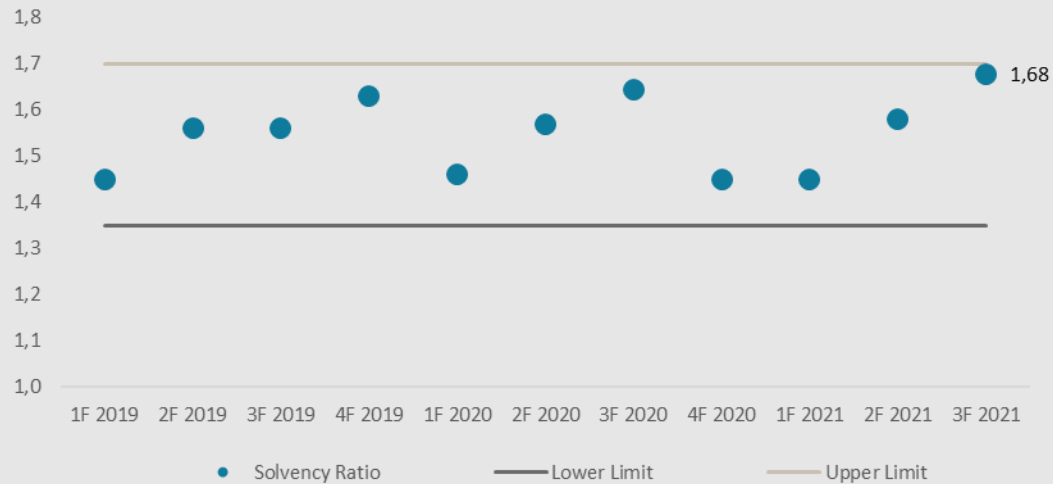


Investment Assets ISK **46 billion**

/ Solvency

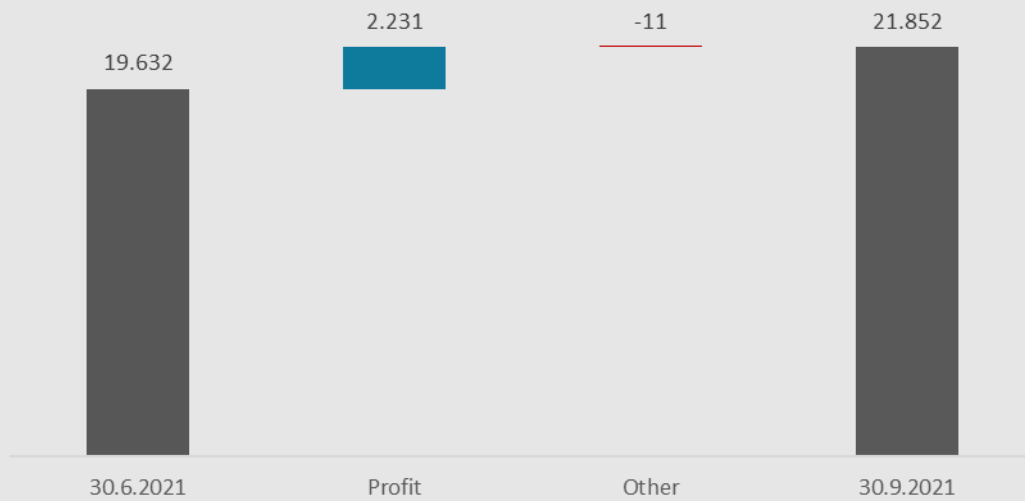


Solvency Ratio



- **The solvency ratio** increases to 1,68 due to profits
- **Market risk increases** due to equity gains as well as increased interest rates
- **Counterparty risk decreases** due to seasonal decrease in receivables
- **The solvency ratio** is 1,60 given the forthcoming share buy-back

Eligible Own Funds



Changes in SCR

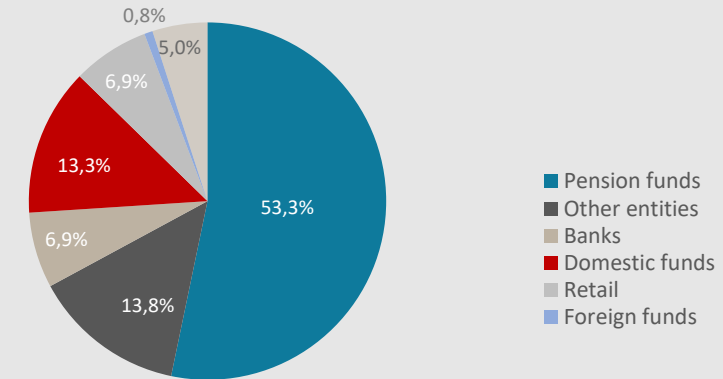
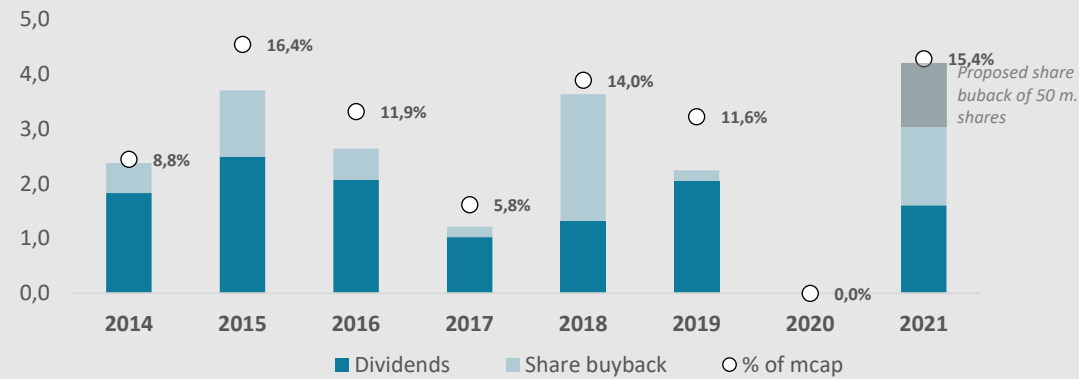


Shareholders



Shareholders 20.10.2021

Payments to Shareholders in ISK bn.



Share Price since Listing



10 Largest Shareholders 20.10.2021

Lífeyrissjóður verslunarmanna	8,9%
Gildi lífeyrissjóður	8,0%
Frjálsi lífeyrissjóðurinn	7,7%
Lífeyrissj. starfsm. rík. A-deild	6,8%
Sjávarsýn ehf.	5,3%
Vátryggingafélag Íslands hf.	5,0%
Stapi lífeyrissjóður	4,5%
Arion banki hf.	4,3%
Birta lífeyrissjóður	4,1%
Brú Lífeyrissjóður starfs sveit	3,6%

Sustainability as a Guiding Principle

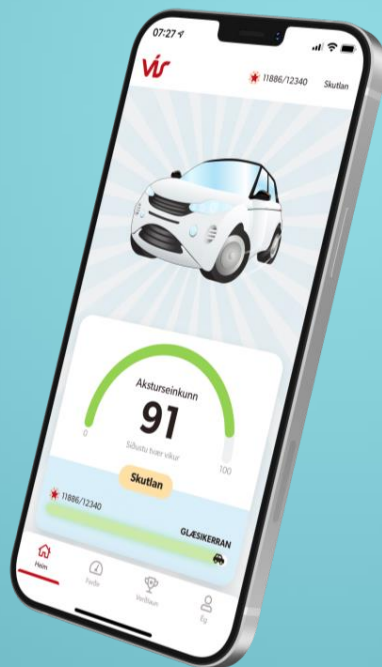
Carbon offsetting the operations



Important milestone
– no gender pay gap



Majority of Ökuvísir drivers
have greatly improved their driving



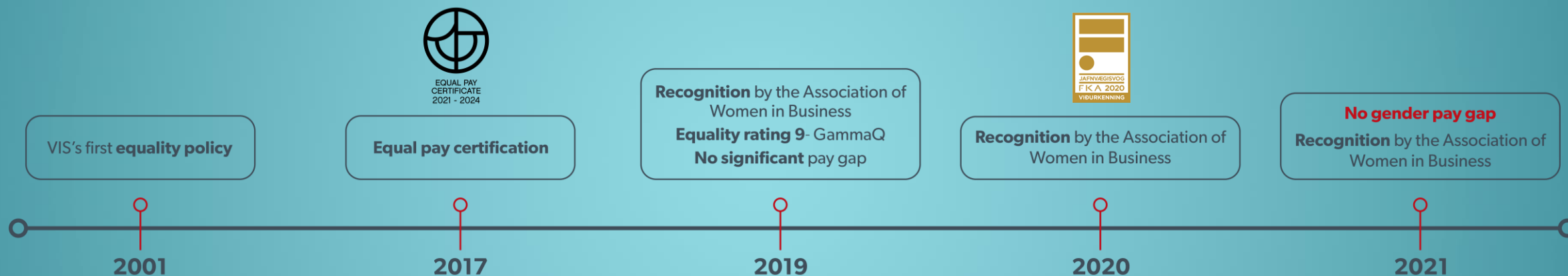
**Let
Safety Fit**



/ Equality is a decision

vis

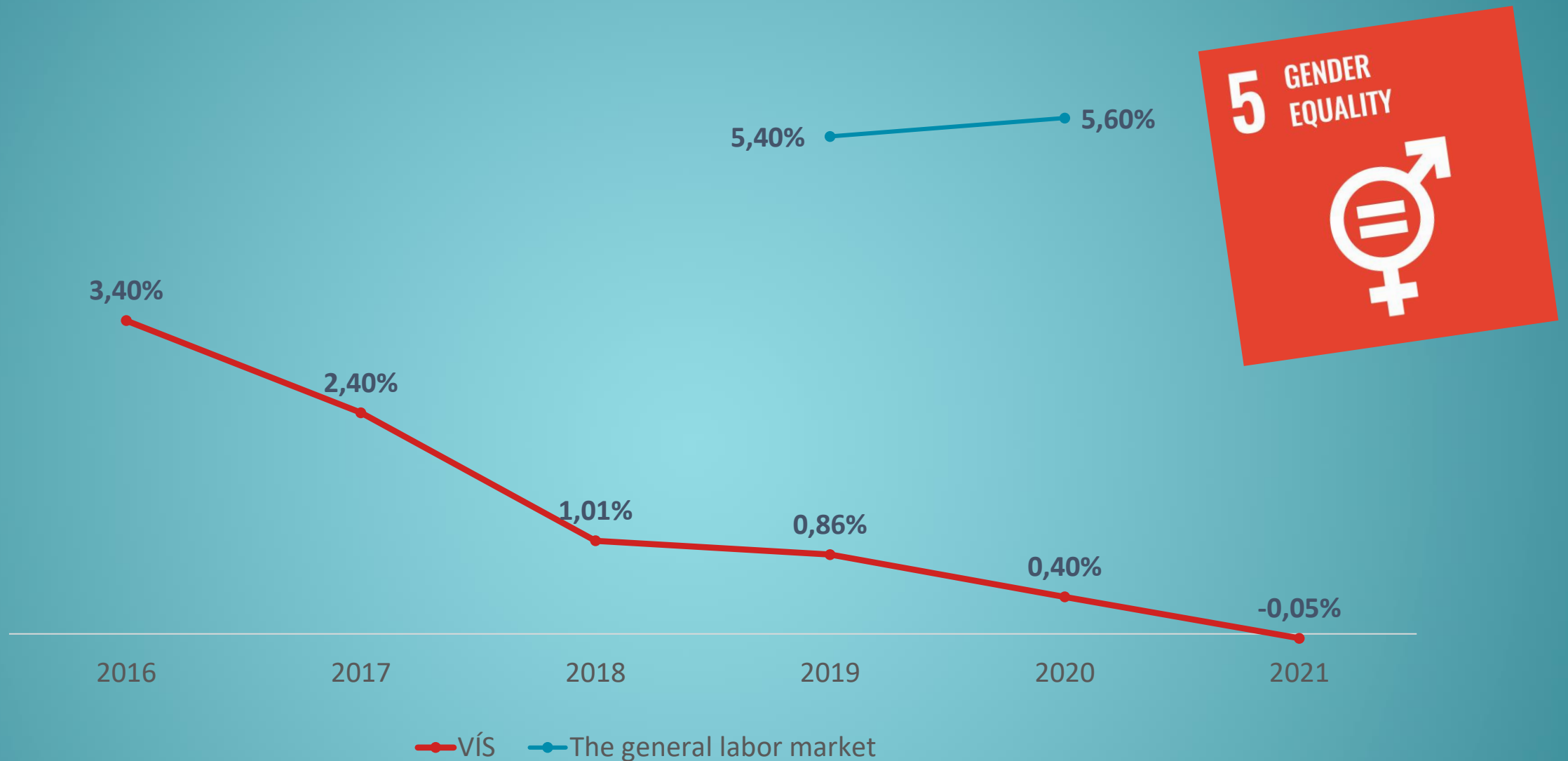
In 2021, we reached the important milestone of having no **measureable gender pay gap**.



Ever since VIS put equality at the forefront twenty years ago, **several milestones** have been achieved.

This is the result of a concerted effort to **eliminate the gender pay gap**.

✓ We have eliminated **the gender pay gap**

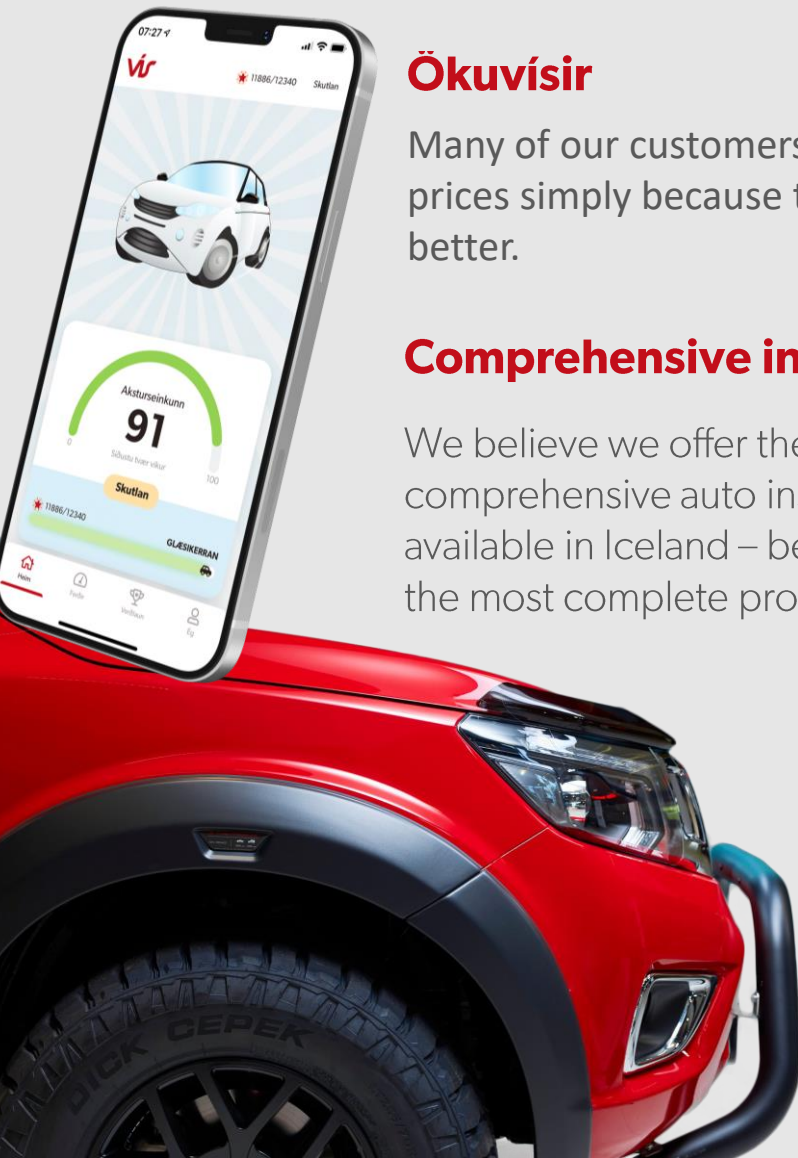


*Report by Statistics Iceland on the wage differential between men and women

- **Better life and critical illness insurance**
- **Automated process** and risk assessment
- **Better** customer experience
- Now possible to purchase insurance in a **matter of minutes** rather than days



Simply **better insurance**



Ökuvísir

Many of our customers pay lower prices simply because they drive better.

Comprehensive insurance

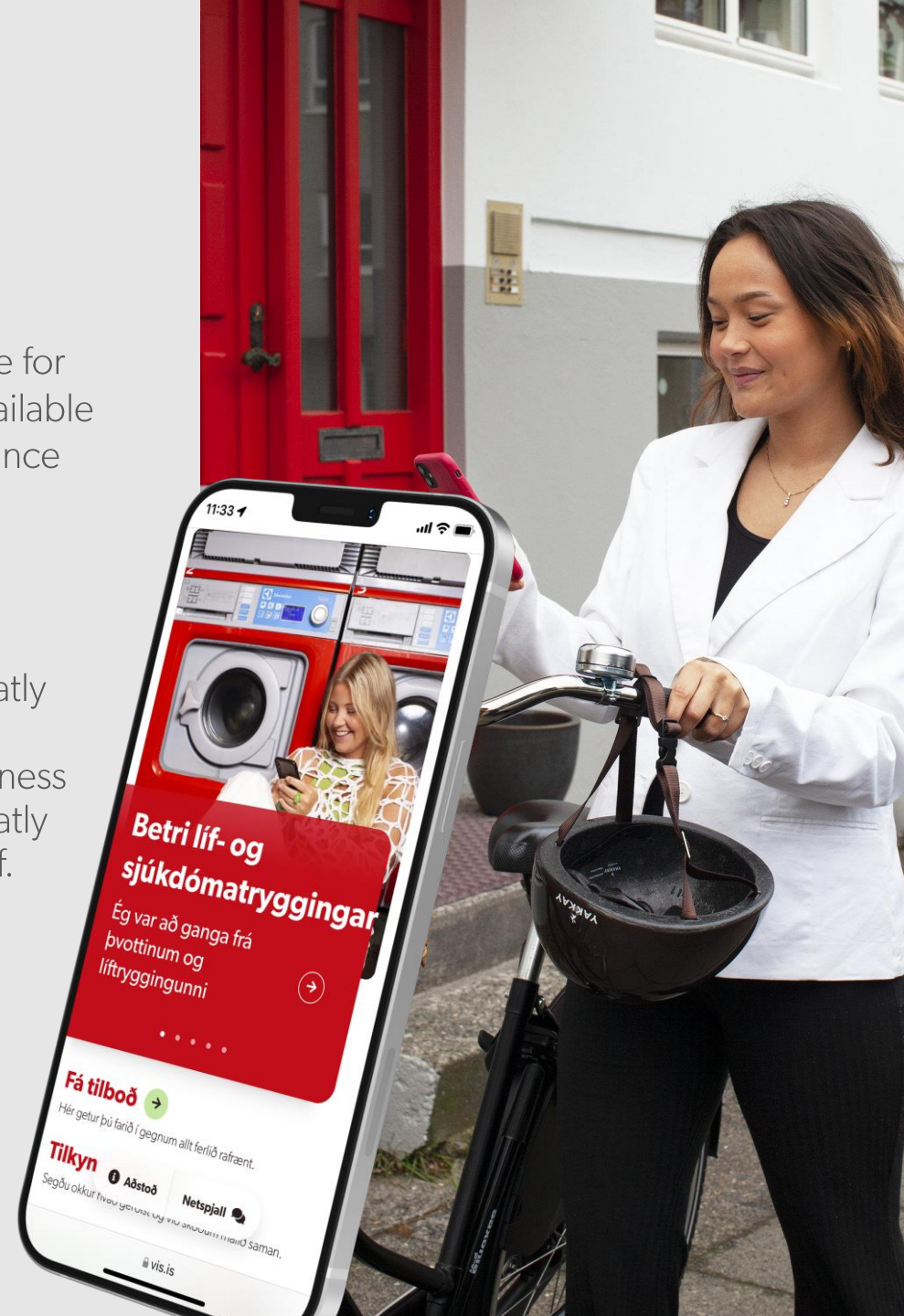
We believe we offer the best comprehensive auto insurance available in Iceland – because it has the most complete protection.

Property insurance

We offer a lower deductible for property insurance than available elsewhere. The glass insurance also has no maximum.

Life and critical illness insurance

We have shortened and greatly improved the process for purchasing life and critical illness insurance. We have also greatly improved the insurance itself.



/ Outlook for the Year

The Company believes that the combined ratio for the year 2021 will be in the range of **97-99%**

- The combined ratio of each quarter will be set out in the Company's quarterly reports, along with the status of, and outlook for, the Company's operations.
- The Company will notify investors if there is a change in the guidance regarding the combined ratio for the year, 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.

The Company's **objective**
Combined ratio of **less than 95%**
Return on equity of **at least 15%**

The VIR logo, consisting of the letters 'VIR' in white on a red square background.

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