

Positive profit warning

The draft for the results for Q1 show that the expected performance of the company is more favorable than expected. The deviation is reported as it represents more than 10% of the expected profit for the year before taxes.

The company's expected profit for the first quarter before taxes is 930 million ISK, while the company's profit forecast for the same period was ISK 276 million ISK. Expected profit is therefore about 650 million ISK higher than expected.

The reason for this is that the return on the company's listed investment assets proved to be more favorable, or about ISK 350 million ISK in excess of the Q4 forecast. Insurance operations are also exceeding expectations of about 300 million ISK for the same period.

The good performance of insurance operations in the first quarter also means that there is no need to update the company's forecast for a combined ratio for the year despite the loss due to the fire of Miðhraun 4.

The Company's revised plan now assumes that the profit for the year 2018 before taxes will be 3,412 million ISK, instead of 3,108 million ISK.

It should be noted that since VÍS's assets in Kviká banki hf. is in excess of 20% of the issued share capital Kviká is calculated according to the equity method, and the increase in Kviká's market value has therefore not affected this outcome. The difference between the market value of Kviká and book value according to the equity method is approximately 730 million ISK

The updated operating forecast will be published concurrently with the publication of the interim financial statements for the first quarter of May, 2nd.

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