

## **Vátryggingafélag Íslands hf. - Profit Warning in Q2**

It has come to light that the Company's earnings in Q2 will be worse than the Company's profit forecast had anticipated. The largest deviation is due to an increase in heavy losses during the period and a major fire damage in Perlan. The impact of the fire at Miðhraun had previously been reported.

The profit for the second quarter is expected to be about ISK 700 million lower before tax than forecasted, i.e. that the Company's earnings will be ISK 92 million before taxes, instead of 792 million ISK.

The Company continues to see strong growth in premiums and the combined ratio of the previous 12 months at the end of June is estimated at 98%. The expected combined ratio for 2018 is also 98%, of which the effect of two major losses in the third quarter count for approximately three percentage points on the combined ratio of the year.

It is extremely unusual that two major losses of this magnitude occur in the same year, let alone in the same quarter. VÍS has not been faced by losses of this scale since the major storm in March 2015 and the fire in Skeifan in the summer of 2014.

An updated 12-month profit forecast (Q3 18 - Q2 19) will be published in Q2 along with a financial statement, on August 22nd.

For further information, please contact Andri Ólafsson, Communications Manager, tel. +354 660-5105.