



Vátryggingafélag Íslands – Profit Forecast

- ➔ ISK 300m repurchase plan until the end of the year
- ➔ Strong focus on operating costs
- ➔ Kvika bank recorded at market value
- ➔ Continuous work on simplifying processes and making them more effective

VÍS investment policy's goal is that the composition of assets maximizes returns based on the Company's risk appetite. VÍS's defined risk appetite is based on the solvency ratio of 1.35 – 1.70.

The Company will, if nothing changes, separately report if the deviation from the expected 12 month profit before taxes exceeds 10%.

The forecast will be updated quarterly, published in earnings reports and presented in the Company's investor meetings.

|| Earnings forecast ||

	Q3 2018	Q4 2018	Q1 2019	Q2 2019	12 Roll	Forecast 2018
Loss and reinsurance ratio	71,1%	74,6%	81,3%	73,8%	75,2%	76,7%
Cost ratio	21,9%	21,5%	20,8%	21,0%	21,3%	22,1%
Combined ratio	92,9%	96,2%	102,1%	94,9%	96,5%	98,8%
Profit before taxes	971	684	270	837	2.762	2.266
Return on financial assets	2,3%	2,1%	1,7%	2,2%	8,3%	8,5%

Disclaimers

- The Company's profit forecasts depend on a number of risks and uncertainties that may cause that real performance in the future will be different from what is stated in this forecast.
- The Company reports to the market on a monthly basis the combined ratio and return on financial assets of the month before.

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