

VÍS: Interim Financial Report

2018 Third Quarter Results – Highlights

- Profit for the period amounted to kronur (ISK) 1.462 million compared with ISK 829 million during the same period in 2017
- Premiums for the period increased by 9,4% from the same period last year
- Loss ratio was 80,8% compared to 68% from the previous year
- Composite ratio was 96,9% compared to 95,1% in the same period last year
- Income from investments increased by 106% and amounted to ISK 1,842 million.
- Earnings per share amounted to ISK 0.72, compared with ISK 0.37 ISK for the same period in 2017
- The company's solvency ratio at the end of the period was 1.52

Third quarter of 2018 - Highlights

- Profit for the period amounted to ISK 910 million after taxes, compared with ISK 278 million loss of the same period in 2017.
- The combined ratio was 84.5%, compared to 94.6% for the same period in 2017

Helgi Bjarnason, CEO of VÍS

"The results from our insurance operations proved to be very satisfactory during the third quarter showing without a doubt how well we have managed to operate our core business. The 12-month combined ratio has been below 100% since the beginning of 2017, which is a turnaround from the two preceding years when the 12-month composite ratio was over 100%.

We have emphasized that in a healthy insurance company the insurance operations part must be sustainable. This will continue to be our fundamental goal and this year's results thus far are promising in this respect for the coming months.

The quarter was eventful at the company. Share capital was reduced by payment of shares in Kvika Bank. This reduced the company's equity ratio, market risk decreased and the solvency ratio rose.

We also formed and introduced a new vision declaring VÍS to become a digital service company, but that vision will be the guiding principle in our decisions and priorities in the coming months. An example of this is the restructuring of our recently announced service network, with a strong focus on serving customers by digital channels."

Prospects

The updated earnings forecast assumes that the profit for the year before taxes will be ISK 2.2 billion and the combined ratio of the year will be 97.1%.

Investor presentation

An open meeting for market participants and investors regarding the results will be held the following day, Thursday 25 October, at the Company's premises, Ármúli 3, at. 8:30 am. At the meeting, Helgi Bjarnason, CEO will present the company's financial statements and answer questions.

The meeting's presentation material will be available in Icelandic and English at VÍS's website: <https://www.vis.is/vis/fjarfestar/fjarfestar/> . In addition, it will be possible to follow the live broadcast and download it at the end of the meeting at <https://www.vis.is/vis/fjarfestar/fjarfestafundur>

Financial calendar

Event:	Date:
Annual financial statement 2018	20 February 2019
Annual General Meeting 2018	22 March 2019

Further information

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	Million ISK	3F 2018	Δ %	3F 2017	9M 2018	Δ %	9M 2017	
Operations	Premiums for the period	5.956	11,3%	5.350	16.753	9,4%	15.310	
	Own premiums	5.769	11,4%	5.179	16.186	9,4%	14.796	
	Financial income	427	-265,0%	-259	1.842	106,1%	894	
	Total income	6.217	25,8%	4.942	18.100	14,6%	15.793	
	Losses in the period	-3.815	0,5%	-3.798	-12.540	20,4%	-10.415	
	Own losses	-3.803	1,3%	-3.753	-12.151	12,1%	-10.834	
	Operating costs	-1.265	-2,4%	-1.296	-4.047	10,4%	-3.666	
	Total expenses	-5.136	0,2%	-5.127	-16.408	11,6%	-14.705	
	Net earnings	910	-427,3%	-278	1.462	76,3%	829	
	Ratios	Loss ratio	64,1%	-9,8%	71,0%	74,9%	10,0%	68,0%
Own loss ratio		65,9%	-9,1%	72,5%	75,1%	2,5%	73,2%	
Cost ratio		18,5%	-12,9%	21,2%	21,1%	0,5%	21,0%	
Reinsurance cost ratio		2,8%	20,4%	2,4%	1,0%	-83,5%	6,1%	
Combined ratio		85,4%	-9,7%	94,6%	96,9%	2,0%	95,1%	
Solvency ratio					1,52		1,49	
Equity ratio					30,5%		34,0%	
Return on investment					9,2%		5,1%	
		Million ISK			30.9.2018		31.12.2017	
Economy		Assets						
	Investments				32.576		31.824	
	Cash flow				1.310		1.094	
	Accounts receivable				8.282		6.179	
	Affiliated company				0		2.642	
	Other assets				5.990		4.665	
	Total assets				48.157		46.405	
	Debt							
	Owner's equity				14.689		16.766	
	Subordinated bond				2.645		2.624	
Technical provisions				27.778		24.406		
Other debt				3.016		2.608		
Tax liability				29		0		
Total debt				48.157		46.405		
Profit per share		0,47		-0,13		0,72		0,37