

## **Alandia's result for 2020 is strong - the company's net asset value increases by 10%**

### **The Group's development January — December 2020 (compared with January-December 2019)**

- Premium income increases to € 87 million (€ 80.5 million)
- The claims ratio for non-life insurance operations 72.6% (97.7%)
- Profit after taxes € 23.3 million (€ 3.1 million)
- Net asset value increases by € 15.2 million (€ 5.1 million) to € 168.0 million (€ 152.7 million)

### **CEO Tony Karlström's comments**

- In 2020, Alandia's premium income continued to increase while claims costs were at an acceptable level. Together with efficient cost control, it resulted in a positive technical result. The result of the investment operations at fair value for the year was very good considering the volatility in the financial markets due to Covid-19 and the low interest rates. The net asset value increased by EUR 15.2 million, corresponding to 10 percent.

During the year, the life insurance portfolio was transferred as planned to Aktia Life Insurance. As of June, there was no longer any life insurance risk in the Alandia Group, which improved the opportunity to develop the position as a leading marine insurance company.

Alandia continued to offer customers good service throughout the year, even though Covid-19 influenced the way we reached our customers. We followed the authorities' recommendations with, among other things, distance work. All Alandia's staff at our four offices in Mariehamn, Helsinki, Stockholm and Gothenburg handled the situation in an exemplary and sustainable manner.

### **Financial summary**

Premium income amounted to EUR 87.0 million (80.5), of which EUR 84.9 million (75.9) consisted of non-life insurance. The reasons for non-life insurance's increase in premium income by 12 percent are more customers and a hull insurance market with rising premium levels.

Claims costs on own share amounted to EUR 50.3 million (70.4), of which EUR 52.9 million (62.4) consisted of non-life insurance. During the period, which was otherwise relatively favourable in terms of claims, Alandia suffered its largest claim in over ten years. The claim was partially covered by reinsurance.

The loss ratio for non-life insurance was 72.6 percent (97.7). The improvement compared with the previous year is a result of a more favourable claims outcome and a stronger premium base.

Operating expenses for non-life insurance operations amounted to EUR 16.5 million (16.1) and the operating expense ratio was 22.7 percent (25.2).

The combined ratio for non-life insurance amounted to 95.3 percent (122.9).

The return-on-investment portfolios at fair value was 5.4 percent (6.8). The year started volatile due to Covid-19 and at the end of March, the decline in the portfolio was the greatest, but the recovery was then strong for the rest of the year.

During the period, the net asset value increased by EUR 15.2 million (5.1) and as of 31 December 2020 amounted to EUR 168.0 million (152.7).

The KPI:s below are effected by the transfer of the live-insurance portfolio and therefore not comparable to previous years.

The solvency for Alandia was significantly strengthened during the year by the good result, with the raising of subordinated loans that are eligible as tier 2 capital and the reduction of life insurance risk. Alandia Försäkring Abp's solvency ratio was 273 percent (207).

## CONSOLIDATED KPI:s

EUR 1000	2020	2019	2018	2017	2016
<b>None-life Insurance</b>					
Premiums Written	84 938	75 870	63 674	49 394	47 456
Premiums Earned	72 827	63 834	50 217	37 569	30 411
Claims Incurred	-52 868	-62 360	-41 529	-24 685	-18 316
Operating Expenses	-16 549	-16 065	-13 536	-11 688	-9 447
Combined Ratio	95 %	123 %	110 %	97 %	91 %
Investment Result	4 676	7 324	6 130	8 868	10 347
<b>Life Insurance</b>					
Premiums Written	2 018	4 674	5 468	5 520	6 175
Claims paid	-4 756	-8 019	-8 542	-7 945	-7 862
Investment Result	1 154	5 901	3 908	6 278	4 278
<b>Group Total</b>					
Premiums Written	86 956	80 544	69 142	54 914	53 631
Investment Result	5 830	13 224	10 038	15 146	14 625
Result	23 326	3 140	21 595	19 308	15 227
Balance Sheet Total	304 638	311 577	305 498	309 394	312 114
<b>Net Asset Value</b>	167 958	152 683	149 669	166 325	163 039
Dividends paid	0	1 990	11 901	10 120	12 067
RoNAV	10 %	3 %	-3 %	8 %	4 %

The group includes Bostads Ab Sandåsvägen and Fastighets Ab Kubiken

## **Rating**

Alandia's A- rating at Standard & Poor's was confirmed on December 21, 2020 and remains on Negative Outlook.

## **Important events**

Försäkringsaktiebolaget Liv-Alandia transferred the entire insurance portfolio with life insurance to Aktia Livförsäkring Ab May 31, 2020. In connection with the transfer, Aktia has issued subordinated loans of EUR 60 million to Alandia. The FIN-FSA Financial Supervisory Authority and Standard & Poor's have approved the subordinated loans as level 2 capital to cover capital requirements. As a result, Liv-Alandia revoked its license to operate as an insurance company. The company's name was changed November 11, 2020 to Alandia Konsolidering Ab and the remaining operations only consisted of managing the company's assets.

To create a simpler company structure, Alandia Försäkring Abp and its subsidiary Alandia Konsolidering Ab have merged on January 31, 2021. Upon the merger, Alandia Försäkring Abp has taken over all of Alandia Konsolidering Ab's assets, rights and obligations.

During the period, the holding in the associated company Nordisk Marinförsäkring AB was sold.

The collaboration with Söderberg & Partners for leisure boat insurance in Norway has been terminated. From January 1, 2021, new leisure boat insurances will not be sold on the Norwegian market through Söderberg & Partners.

In 2020, the Group has prepared a transition to IFRS reporting in 2021. The Group will switch to IFRS reporting on June 30, 2021.

## **Future outlook**

Premium income, in accordance with the growth strategy, is expected to continue to increase in 2021.

Covid-19 is not expected to have a significant impact on earnings growth in 2021.

Mariehamn February 15, 2021

Alandia Försäkring Abp  
The Board of Directors

Appendix: The Group's earnings and balance sheets