

P/F reg. nr. 6115

NORDIKLÍV

P/F NORDIKLÍV LÍVSTRYGGINGARFELAG

HÁLVÁRSFRÁSØGN
INTERIM REPORT

1. HÁLVÁR 2020
H1 2020

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Notes to users of the English version of this document:

- This document contains a Faroese version as well as an English version. In the event of any dispute regarding the interpretation of any part of the document, the Faroese version of the document shall prevail
- To ensure the greatest possible applicability of the English version of the document, British English terminology has been used

Upplýsingar um felagið / Company information**Felagið / The company**

Navn / Name: P/F Nordiklív Lívstryggingarfelag
Heimstaður / Domicile: Oknarvegur 5, Postboks 3048, 110 Tórshavn

Skrásetingarnúmer / Registration number: 6115
Roknskaparár / Fiscal year: 6

Nevnd / Board of directors

Árni Ellefsen, nevndarformaður / chairman of the board
Christian Clemmensen, nevndarlimur / board member
Turið F. Arge, nevndarlimur / board member
Rune Nørregaard, nevndarlimur / board member

Stjórn / CEO

Brian Smedemark

Granskoðarar / Auditors

PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab
JANUAR, løggilt granskoðanarvirki P/F

Arndis Poulsen
Innanhýsis granskoðan / Internal auditor

5 ára yvirlit / 5-year financial highlights

Hövuðstöl kr. 1.000 / Key figures 1.000 DKK

Rakstur / Income statement

Rakstur	1. hálfvár 2020	1. hálfvár 2019	1. hálfvár 2018	1. hálfvár 2017	1. hálfvár 2016
Tryggingargjöld / Insurance premiums	6.599	6.451	6.084	5.722	4.958
Útgóldarveitingar / Paid claims	3.423	1.464	1.770	3.630	3.085
Úrslit av fløguvirksemi / Total return on investments	-174	-71	-109	-140	-29
Rakstrarkostnaðir av tryggingarvirksemi / Operational cost from insurance	2.429	2.173	2.232	1.987	1.772
Úrslit av endurtrygging / Result from business ceded	-282	-274	-209	-200	-194
Tryggingartekniðskt úrslit / Technical result	-137	1.124	1.873	-94	-92
Tryggingartekniðskt úrslit av sjúkra- og vanlukkuþrygging / Technical result from health and accident insurance	520	224	1.157	434	154
Úrslit / Result	171	1.047	2.395	164	27

Fíggjarstöða / balance sheet

Avsetingar til tryggingar- og flöguaftalur í alt / Provisions for insurance and investment agreements Total	4.387	4.406	2.004	2.093	1.060
Eginogn í alt / Equity Total	31.988	34.818	36.409	31.315	30.318
Ogn í alt / Assets Total	44.562	41.429	42.633	36.757	36.000

Lyklatöl / Ratios

Úrslit av fløguvirksemi í prosent av marknaðarrentuþöðuktum / Result of investment in percent of market rate products	-6,2%	10,4%			
Váði á úrsliti av fløguvirksemi av marknaðarrentuþöðuktum / Risk on result of investment of market rate products	2	2			
Kostnaðir fyrri hvönn tryggjaðan, við niðurskalering upp á 0,1 av samlagstryggingum / Cost per insured with downscaling of 0,1% of Group insurance	3.783	3.473	3.643	3.233	2.966
Kostnaðir fyrri hvönn tryggjaðan - / Cost per insured - Kostnaðarprosent av avsetingum / Expenses as per cent of provisions	27,7%	31,2%	56,3%	56,1%	83,6%
Renting av eginogn eftir skatt / Return on equity after tax	0,5%	7,0%	14,2%	0,5%	0,1%
Solvensdeknungur / Solvency coverage	123,3%	127,1%	129,5%	124,8%	114,4%

Leiðslufrágreiðing

Eigaraviðurskipti

P/F NordikLív Lívstryggingarfelag rekur pensjóns- og lívstryggingarvirksemi á færoyska marknaðinum. P/F NordikLív Lívstryggingarfelag er dóttirfelag hjá P/F BankNordik, sum eigur allan partapeningin í felagnum.

Gongdin í fyrra hálvári

Gongdin í fyrra hálvári 2020 var misjævn. Inntøkurnar hækkaðu, men raksturinn hevur verið merktur av nógvum og stórum skaðaendurgjöldum.

Talan hevur serliga verið um fleiri enn væntaði ið doyðu, og tí hægri enn væntaði útgjöld til lívstryggingar, tó uttan at talan er um nakað felagið metir er varandi ella annað enn tey sveiggj sum kunnu koma. Korona farsóttin hevur ikki havt ávirkan á skaðagongdina hjá felagnum.

Bruttotryggingargjöldini hjá hava verið støðugt vaksandi seinastu árin. Samanborið við sama tíðarskeið í fjør eru tey hækkað við 148 tkr. og eru sostatt nú 6.599 tkr. í mun til 6.451 tkr. fyrra hálvár í 2019. Skaðaútreiðslurnar vóru munandi hægri enn í fyrra hálvári 2019. Skaðaútreiðslurnar vóru 3.423 tkr. samanborið við 1.464 tkr. sama tíðarskeið í fjør.

Tryggingartekniska úrslitið gjørdist -137 tkr. samanborið við 1.124 tkr. sama tíðarskeiði í 2019.

Úrslitið áðrenn skatt gjørdist 208 tkr., sum er verri enn væntað og munandi verri enn sama tíðarskeið í fjør. Til samanberingar var úrslitið í fyrra hálvári 2019 1.276 tkr. áðrenn skatt.

Fíggjarstøðan

Fíggjarstøðan javnvigaði við 44.562 tkr. tann 30. juni 2020. Við árslok 2019 var fíggjarstøðan 41.429 tkr. Lívstryggingaravsetingar vóru 4.017 tkr. ímóti 3.481 við árslok 2019. Eginpeningurin tann 30. juni 2020 var 34.988 tkr., ímóti 34.818 tkr. við árslok 2019.

Útlitini fyri seinna hálvár 2020

Útlitini fyri restina av 2020 eru góð. Leiðslan roknað við, at úrslitið verður millum 1.000 tkr. og 2.500 tkr. Men hetta kann blíva neiligt ávirka av korona farsóttini, tó uttan at felagið í lýtuni hevur møguleika at meta um hvussu hetta verður.

Aðrar upplýsingar

Ongar hendinger eru farnar fram síðani 30. juni 2020, sum hava avgerðandi ávirkan á rakstur og fíggjarligu støðu felagsins.

Útveiting og vitanartilfeingi

Allar umsitingarligar uppgávur eru útveittar við útveitingaravtalum. Felagið hevur gjøgnum útveitingaravtalurnar tryggja sær, at øll sum taka sær av uppgávum felagsins hava holla vitan innan øki.

Stýring av váða

Váði er í øllum viðurskiptum, sum ávirka møguleikar felagsins á ein hátt, sum gera tað truplari at rækka settu málunum. Settar eru í verk yvirskipaðar leiðreglur, sum leiðslan ansar eftir vera fylgdar.

Marknaðarváðar

Týðningarmestu váðarnir	Val í mun til váðar	Váðalækkandi virksemi
Rentuváði	Málið við ílögurvirkssemi felansins er at fáa sum mest avkast við einum ásettum váðastøði, sum nevndin ásetur Miðað verður eftir eini skilagóðari spjaðing av ílögnum	Nevndin í NordikLív hevur samtykt ein ílögupolitikk, sum ásetir karmarnar fyri ílögur felagsins. Ílögupolitikkurin verður dagfærdur eftir tørvi ella í minsta lagi árliga. Spjaðingarváðin er avmarkaður við at spjaða ílögur felagsins í ymisk lánsbrøv. Gjaldfærisváðin verður avmarkaður við at hava munandi partar av ílögnum í tøkum peningi og í lánsbrøvum, sum eru skrásett í keypsskálum. Mótpartsváðin verður m.a. avmarkaður við at hava mørk fyri, hvussu stór íløgá kann gerast í einstøkum mótparti.

Tryggingarváðar

Týðningarmestu váðarnir	Val í mun til váðar	Váðalækkandi virksemi
Livitið Deyðstíttleiki Avlamistíttleiki Spjaðing	Lønandi virkssemi á øllum tryggingarproduktum. Váðaspjaðing millum tryggingar- og kundabólkar Avmarkandi úrslitsávirkan frá einstøkum skaðahendingum við endurtrygging	Felagið brúkar prísásetingaramboð, sum taka hædd fyri váðunum og marknaðar-støðuni. Greiðar inntekningarreglur. Váðajavning við endurtrygging og við hámmørkum fyri ymsum tryggingardekningum. Gott dátugrundarlag

Operasjonellur váði

Týðningarmestu váðarnir	Val í mun til váðar	Váðalækkandi virksemi
KT-váðar Løgfrøðiligir váðar Umsitingarligir váðar Svik Umdømi Strategi	Ásannað verður, at ikki slepst undan rakstrarligum váðum, men hesir skulu avmarkast til støðið, sum nevndin góðtekur.	Felagið avmarkar operasjonella váðan við leiðreglum, innaneftirliti og funksjónskilnaði. Hetta verður alsamt endurskoðað og dagført. Harumframt fylgir felagið neyvt við gongdini á marknaðinum fyri at tryggja, at prísir og tænaustøði eru kappingar-før. Stórir dentur verður lagdur á góða kundatænastu umframt opinleika og gjøgnumskygni í samskiftinum við kundan.

Kapitalur

Kapitalstyrkin hjá NordikLív í mun til tryggingarskyldurnar er sæst í yvirlitinum niðanfyri:

DKK 1.000	30. juni 2020	30. juni 2019
Eginogn	31.988	32.961
Grundarfæfeingi	33.988	34.961
Fæfeingiskrav	27.575	27.629
Kapitalstyrki	6.413	7.332

Tann 30. juni 2020 var kapitalstyrkin hjá felagnum 6.4 mió.kr. í mun til 7,3 mió.kr. tann 30. juni 2019. Mett verður, at felagið hevur neyðuga fíggarligu styrkina við atliti til galdandi lógarkrøv. Fæfeingiskravið er 3,7 mió evrur umroknað til 27.575 tkr.

Solvensur

Individueilla solvenskravið tann 30.06.2020 var 14.654 tkr., meðan kapitalgrundarlagið til at lúka solvenskrøvini var 33.988 tkr. Hetta vísir, at solvensurin er lutfalsliga góður og á einum støði, ið leiðslan er nøgd við.

Solvensdekingurin pr. 30.06.2020 var 1,23. Solvensdekingurin pr. 30.06.2019 var 1,27

Management's review

Purpose

The purpose of the company is to conduct pension and insurance activities on the Faroese market.

Result for the period

Developments in the first half of 2020 have been uneven and are characterised by increasing income but also by many and large claims.

The higher level of claims is due to more than expected deaths and subsequent payments. This is nothing the company deems to be of a lasting change but more a sign of statistical variations. There have been no significant effects of the COVID19 pandemic on the claims.

Gross premium written has been steadily increasing these last years. Compared to the same period last year, it has now increased by DKK 148t and is now DKK 6,599t compared to DKK 6.451t in the first half of 2019.

Claims expenses are significantly than in the H1 period in 2019. Claims expenses are DKK 3,423t in H1 2020 compared to DKK 1,464t in the same period last year.

The technical result was DKK -137t in H1 2020 compared to DKK 1,124t in the same period in 2019.

Profit before tax was DKK 208t, which is significantly lower than in the same period last year, which was not expected. In terms of comparison, the H1 2019 Profit before tax was DKK 1,276t.

Balance sheet

The balance was DKK 44.562 at 30 June 2020. At year-end 2019, the balance was DKK 41,429. Provisions for insurance and investment agreements was DKK 4.017. At year-end 2019 the provisions was DKK 3.481. Equity was DKK 34,988 at 30 June 2020. At year-end 2019 Equity was 34,818.

Outlook

The 2020 outlook is good. Activities are expected to increase and a profit is expected to be around DKK 1,000 and DKK 2,500. This is more uncertain under the current COVID-19 pandemic, which can have a negative effect on the expected result.

Other information

No events have occurred since 30 June 2020, which are of material significance to the company's financial or operating position.

Outsourcing and knowledge base

All administrative tasks have been outsourced under outsourcing contracts. In these outsourcing contracts, the company has ensured that everyone who is in responsible for the company's tasks have thorough knowledge within these areas.

Risk management

An element of risk exists in all circumstances that affect the company's possibilities in such a way to make it difficult to reach the objectives set. General guidelines have been put into effect under the supervision and responsibility of the management.

Market risks

Most significant risks	Efforts regarding risk	Risk reducing activities
Interest risk	<p>The purpose of the company's investment activities is to achieve the best possible return with a risk level determined by the board</p> <p>A sound diversification of the investments is the target.</p>	<p>The board of directors of NordikLív have adopted an investment policy, which sets the foundation for the company's investments. The investment policy is updated when necessary or at least annually.</p> <p>Diversification risk is limited by diversifying the company's investments in various bonds.</p> <p>The liquidity risk is limited by maintaining a significant part of the investments in cash and listed bonds.</p> <p>Counterparty risk is limited e.g. by having limits on the size of an investment in individual counterparty.</p>

Insurance risks

Most significant risks	Efforts regarding risk	Risk reducing activities
<p>Life duration</p> <p>Mortality rate</p> <p>Rate of disability</p> <p>Diversification</p>	<p>Profitable activities on all insurance products.</p> <p>Risk diversification between insurance and customer groups</p> <p>Limited result effect from single damage events using reinsurance.</p>	<p>The company uses pricing tools that take risk and market situation into account.</p> <p>Clear rules for drawing-up.</p> <p>Risk diversification using reinsurance and by maintaining limits on different insurance coverage.</p> <p>Sound data foundation</p>

Operational risk

Most significant risks	Efforts regarding risk	Risk reducing activities
<p>IT-risks</p> <p>Legal risks</p> <p>Administrative risks</p> <p>Irregularities</p> <p>Reputation</p> <p>Strategy</p>	<p>There is no avoiding operational risks, however, these must be limited to a level approved by the board of directors.</p>	<p>The company limits operational risk through guidelines, internal supervision and separation of functions. This is continuously reassessed and updated.</p> <p>In addition to this, the company closely monitors market developments in order to make sure that prices are service level remain competitive.</p> <p>Great emphasis is placed on good customer service in addition to openness and transparency in communication with customers.</p>

Capital strength

NordikLív's capital strength in relation to insurance obligations is detailed in the overview below:

DKK 1,000	30 Juni 2020	30 Juni 2019
Equity	31,988	32,961
Base capital	33,988	34,961
Capital requirement	27,575	27,629
Capital strength	6,413	7,332

At 30 June 2020, the company's capital strength was DKK 6,4m compared to DKK 7,3m at 30 June 2019. It is assessed that the company has the necessary financial strength in relation to current judicial requirements. The capital requirement is EUR 3,7m, converted: DKK 27,575 thousand.

Solvency and Individual solvency requirements

The individual solvency requirement was DKK 14,654t on 30 June 2020 while the company's eligible Base Capital was DKK 33,988t. This confirms the company's relatively strong solvency ratio, of which the management is satisfied.

Solvency Ratio relative to the Capital requirement at 30 June 2020 was 1,23 and at 30 June 2019 it was 1,27.

Ownership

NordikLív is a subsidiary of BankNordik P/F, which holds all the share capital.

Rakstrarroknskapur / Income statement

Nota DKK 1.000	H1 2020	H1 2019
Tryggingargjöld brutto / Gross premiums written	6.599	6.451
Endurtryggingargjöld / Ceded insurance premiums	282	274
Tryggingargjöld fyrir egna rokning í alt / Earned premiums, net of reinsurance	6.317	6.177
Rentuinntøkur og vinningsbýti vm/ Interest and dividends, etc.	108	34
Virðisjavningar / Value adjustments of investment assets	-197	0
Rentuútreiðslur / Interest expenses	68	44
Fyrisingarkostnaðir av íløguvirksemi / Administration cost related to investment activity	18	61
Úrslit av íløguvirksemi í alt / Total return on investments	-174	-71
Útgoldnar veitingar / Claims paid	3.423	1.464
Tryggingarveitingar fyrir egna rokning í alt / Claims incurred, net of reinsurance	3.423	1.464
Broyting í lívstryggingaravsetingum / Change in gross provisions for life insurance	602	1.416
Broyting í lívstryggingaravsetingum fyrir egna rokning í alt / Change in gross provisions for life insurance	602	1.416
Útveganarkostnaðir / Acquisition costs	1.615	1.334
Fyrisingarkostnaður / Administrative expenses	814	839
Rakstrarkostnaður av tryggingarvirksemi fyrir egna rokning í alt / Total insurance operating expenses, net of reinsurance	2.429	2.173
Flutt úrslit av íløguvirksemi / Total return on investments	174	71
Tryggingartekniskt úrslit / Technical result	-137	1.124
Tryggingartekniskt úrslit av sjúkra- og vanlukku tryggingarvirksemi / Technical result of health and accident insurance	520	224
Íløguúrslit av eginognini / Return on investment allocated to equity	-174	-71
Úrslit áðrenn skatt / Profit before tax	208	1.276
Skattur / Tax	38	230
Úrslit / Profit	171	1.047

Fíggjarstöða / Balance**Ogn / Assets**

	30 June	31. Des
Nota DKK 1.000	2020	2019
Lánsbrøv / Bonds	34.846	30.504
Innlán í kreditfélögum / Cash and cash equivalents	7.599	8.546
Aðrar fíggjarligar íløguognir í alt / Investment assets	42.445	39.051
Íløguogn í alt / Total investment assets	42.445	39.051
Íløguogn tengd at marknaðarrentuproduktum í alt / Investment certificates linked to marked interest rate products	1.957	2.023
Áogn hjá atknýttum virkjum / Receivables from related parties	34	200
Áogn í alt / Receivables	34	200
Rentur tilgóðar og innvunnin leiga / Outstanding interest and rent	126	156
Tíðaravmarkingar í alt / Prepayments	126	156
Ogn í alt / Total assets	44.562	41.429

Fígjarstöða / Balance**Skyldur / Equity and liabilities**

Nota DKK 1.000	30 June 2020	31. Des 2019
Partapeningur ella ábyrgdarpeningur / Share capital	20.000	20.000
Yvirkursur við partabrævaútgávu / Additional paid in capital	10.000	10.000
Framflutt úrslit / Retained earnings	1.988	1.818
Uppskot til vinningsbýti / Proposed dividends	0	3.000
Eginogn í alt / Equity	31.988	34.818
Onnur ábyrgdarlán / Other subordinated loan capital	2.000	2.000
Ábyrgdarlán í alt / Total other subordinated loan capital	2.000	2.000
Lívtryggingaravsetingar / Provisions life insurance	4.017	3.481
Avsett til skaðaendurgjöld / Gross provisions for claims	370	187
Avsetingar til tryggingar- og íløguaftalur í alt / Total provisions for insurance and investment contracts	4.387	3.668
Skuld í sambandi við endurtrygging / Debt related to reinsurance	0	115
Beinleiðis skattur / Tax	675	637
Onnur skuld / Other payables	5.512	192
Skuld í alt / Total debt	6.186	944
Skyldur í alt / Total equity and liabilities	44.562	41.429

Notur / Notes

Nota 1 - Nýttur roknskaparháttur

Hálvársfrásøgnin hjá P/F Nordiklív Lívstryggingarfelag er gjørd sambært Løgtingslóg um tryggingarvirksemi og kunngerð nr. 4 frá 27. juni 2018 um ársfrásagnir hjá tryggingarfeløgum og haldsfelagsskapum.

Nýtti roknskaparhátturin er óbroyttur í mun til ársroknskapin fyri 2019. Víst verður tí eisini til brotið um nýttan roknskaparhátt í ársroknskapi felagsins fyri 2019.

Granskoðan ella gjøgnumgongd

Hálvársfrásøgnin er ikki granskoðað ella gjøgnumgingin

Note 1 - Basis of preparation of the H1 financial statements

The interim financial statement of P/F Nordiklív Lívstryggingarfelag has been prepared in accordance with The Insurance Act (Tryggingarlógin) and Executive Orders no. 4 from 27 June, 2018 on financial reports presented by insurance companies and holding companies.

The accounting policies are unchanged in respect to the Annual Report for 2019. For reference see also the section with Accounting Policies in the 2019 Annual Report.

Audit and review

No audit or review has been done to this interim report by the internal or external auditors.

Leiðsluátekning

Nevnd og stjórn hava í dag viðgjørt og góðkent hálvársfrásøgnina fyri 2020 hjá P/F NordikLív Lívstryggingarfelag.

Hálvársfrásøgnin er gjørd í samsvari við lóg um tryggingarvirksemi.

Vit meta, at hálvársroknskapurin gevur eina rættvísandi mynd av felagsins ognum og skyldum, fíggarstøðuni tann 30. juni 2020 og úrsliti av virksemi felagsins fyri tíðarskeiðið 1. januar 2020 til 30. juni 2020.

Okkara fatan er, at leiðslufrágreiðingin inniheldur eina rættvísandi frágreiðing um gongdina í P/F NordikLív Lívstryggingarfelag og fíggarligu støðuni og eina lýsing av teim týðningarmestu váðunum og óvissu tættunum, sum kunnu koma at ávirka felagið.

Tórshavn, tann 25. september 2020

Stjórn:

Brian Smedemark

Nevnd:

Árni Ellefsen
Formaður

Christian Clemmensen

Turið F. Arge

Rune Nørregaard

Statement by the management

The Board of Directors and the Management Board have today considered and approved the interim report of P/F NordikLív Lívstryggingarfelag for the six months ended 30 June 2020.

The interim financial statements have been prepared in accordance to the regulatory requirements.

In our opinion, the management's report includes a true and fair view of the company's assets and liabilities, and the balance sheet at 30 June 2020 and of the result of the company's operations for the period 01 January 2020 to 30 June 2020.

We consider the management's report to give a fair representation of the development of P/F NordikLív Lívstryggingarfelag and describes significant risks and elements of uncertainty that it faces.

Tórshavn 25 september 2020

Executive Board: _____
Brian Smedemark

Board of Directors: _____
Árni Ellefsen
Chairman

Christian Clemmensen

Turið F. Arge

Rune Nørregaard