

Kvika hf. - Forecast 2025-2034 and valuation as of 1 Jan 2025

Amounts are in million ISK / % Consolidated basis	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast		
	31/12/2020	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026	31/12/2027	31/12/2028	31/12/2029	31/12/2030	31/12/2031	31/12/2032	31/12/2033	31/12/2034		
Statement of Comprehensive Income																	
Net interest income	1,800	4,646	7,675	8,021	9,681	10,946	10,451	11,074	11,797	12,545	13,268	13,958	14,682	15,445	16,250		
Net fee and commission income	5,956	6,827	6,408	5,916	6,137	6,536	6,895	7,275	7,675	8,097	8,542	9,012	9,508	10,031	10,582		
Insurance service results	0	4,247	4,210	0	0	0	0	0	0	0	0	0	0	0	0		
Net financial income	833	5,672	0	442	1,054	1,992	1,402	1,105	1,166	1,230	1,298	1,369	1,445	1,524	1,608		
Other operating income	78	604	887	473	312	306	323	341	361	381	403	426	451	477	504		
Operating income	8,667	21,996	19,180	14,852	17,184	19,779	19,071	19,795	20,999	22,253	23,511	24,766	26,085	27,476	28,944		
Operating expenses	-5,724	-11,635	-13,076	-10,785	-10,608	-11,538	-11,102	-11,376	-11,683	-12,385	-13,086	-13,782	-14,514	-15,285	-16,099		
Net impairment	-318	139	-532	-1,027	-605	-629	-686	-744	-804	-864	-920	-970	-1,024	-1,080	-1,139		
Revaluation of contingent consideration	-286	-14	48	-31	-154	0	0	0	0	0	0	0	0	0	0		
Income tax expense and bank levy	-66	177	-706	-705	-1,127	-2,027	-1,953	-2,072	-2,306	-2,453	-2,597	-2,743	-2,897	-3,059	-3,229		
Discont. ops. and other comp. income (loss)	71	-84	-504	1,403	3,800	1,682	0	0	0	0	0	0	0	0	0		
Total comprehensive income	2,344	10,579	4,410	3,707	8,490	7,267	5,331	5,603	6,206	6,551	6,909	7,271	7,651	8,053	8,476		
Net interest margin	1.6%	2.5%	2.8%	2.5%	2.8%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%		
Return on investments in securities	3.9%	12.1%	0.0%	0.6%	1.5%	2.8%	1.8%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%		
Cost-to-core income 1)	73.8%	74.0%	71.5%	77.4%	67.1%	66.0%	64.0%	62.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%		
Net impairment / loans	-1.1%	0.3%	-0.6%	-0.8%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%		
Return on equity (ROE) 2)	14.5%	24.3%	5.7%	4.7%	10.4%	11.8%	9.5%	9.8%	10.5%	10.8%	11.0%	11.2%	11.4%	11.6%	11.7%		
Financial Position																	
Loans to customers	29,323	71,588	107,139	136,324	150,203	164,472	178,452	193,621	208,142	223,753	236,060	249,043	262,740	277,191	292,436		
Securities	33,857	62,729	84,571	68,834	70,227	74,792	78,905	83,245	87,824	92,654	97,750	103,126	108,798	114,782	121,095		
Securities used for hedging	19,620	22,086	13,842	16,852	12,601	13,420	14,158	14,937	15,758	16,625	17,539	18,504	19,522	20,596	21,728		
Intangible assets	3,563	31,455	34,080	21,906	21,693	21,849	22,073	22,309	22,558	22,820	23,097	23,389	23,698	24,023	24,366		
Other assets	36,831	58,381	63,556	40,728	42,167	34,238	31,021	32,409	34,177	35,966	37,857	39,595	41,406	43,306	45,302		
Assets classified as held for sale	0	0	0	50,753	57,702	0	0	0	0	0	0	0	0	0	0		
Total assets	123,194	246,239	303,188	335,397	354,593	308,771	324,610	346,520	368,460	391,818	412,303	433,658	456,164	479,898	504,928		
Equity	19,208	78,367	81,190	81,958	89,516	59,733	59,980	61,855	64,141	66,351	68,677	71,115	73,681	76,381	79,225		
Deposits	59,924	78,670	112,245	142,566	163,378	173,998	183,567	193,664	204,315	215,552	227,408	239,915	253,111	267,032	281,718		
Borrowings	36,073	53,231	69,910	66,732	57,142	56,887	61,878	70,180	78,291	87,375	92,830	98,360	104,191	110,352	116,862		
Short positions held for trading	1,520	1,324	1,486	132	153	163	172	181	191	202	213	225	237	250	264		
Insurance contract liabilities	0	22,434	24,362	0	0	0	0	0	0	0	0	0	0	0	0		
Other liabilities	6,469	12,213	13,995	19,067	17,075	17,991	19,012	20,641	21,521	22,337	23,175	24,042	24,944	25,883	26,860		
Liabilities classified as held for sale	0	0	0	24,942	27,329	0	0	0	0	0	0	0	0	0	0		
Total equity and liabilities	123,194	246,239	303,188	335,397	354,593	308,771	324,610	346,520	368,460	391,818	412,303	433,658	456,164	479,898	504,928		
Loans to customers, change	-2.6%	144.1%	49.7%	27.2%	10.2%	9.5%	8.5%	8.5%	7.5%	7.5%	5.5%	5.5%	5.5%	5.5%	5.5%		
Deposits / loans to costumers	204.4%	109.9%	104.8%	104.6%	108.8%	105.8%	102.9%	100.0%	98.2%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%		
Dividend paid	0	0	0	1,912	0	37,050	5,083	3,729	3,919	4,341	4,583	4,833	5,086	5,352	5,633		
Dividend / owners' total comp. income	0.0%	0.0%	0.0%	43.7%	0.0%	436.7%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%		
Total risk-weighted exposure amount (REA)	57,309	96,011	137,970	172,832	193,844	201,601	211,942	226,248	240,572	255,823	269,198	283,141	297,835	313,332	329,674		
CET1 ratio - goal 14,9-16,9%	25.2%	30.4%	20.9%	19.6%	19.9%	19.4%	18.5%	17.9%	17.4%	17.0%	16.7%	16.4%	16.2%	15.9%	15.7%		
Valuation - ISK																	
Wtd. avg. shares (m)	2,141	4,105	4,786	4,757	4,698	4,660	4,660	4,660	4,660	4,660	4,660	4,660	4,660	4,660	4,660		
Total comp. income - owners (million ISK)	2,419	10,650	4,375	3,691	8,484	7,261	5,327	5,599	6,201	6,547	6,904	7,266	7,646	8,047	8,470		
Owners' equity at year-end (million ISK)	19,187	78,416	81,113	81,886	89,438	59,649	59,893	61,764	64,046	66,252	68,573	71,005	73,565	76,260	79,098		
EPS (including OCI)	1.1	2.6	0.9	0.8	1.8	1.6	1.1	1.2	1.3	1.4	1.5	1.6	1.6	1.7	1.8		
DPS	0.0	0.0	0.0	0.4	0.0	8.0	1.1	0.8	0.8	0.9	1.0	1.0	1.1	1.1	1.2		
BPS	9.0	16.4	17.0	17.3	19.2	12.8	12.9	13.3	13.7	14.2	14.7	15.2	15.8	16.4	17.0		
Sensitivity analysis																	
		Net interest margin 2025-2034				Residual earnings		-0.4		-0.1		-0.1		0.0		0.2	
						Discount rate		10.0%		1.1		1.2		1.3		2.6	
						Present value of RE		-0.3		-0.1		-0.1		0.0		0.1	
						Total PV of RE		-0.2									
						FV of CV		1.2									
						BV per share 1.1.2025		19.2									
						FV per share		20.2									
						Value per share on 1.1.2025 in ISK											
						Outstanding shares		4,660 million									
						Equity value		94,075									
						Equity value on 1.1.2025 (ISK million)											
						Continuing value (CV): RE 2034 x (1 + 4%) / (10% - 4%) =										3.1	
						Perpetuity growth rate										4.0%	
Key figures 2020-2024 2025-2034																	
OI chg.		18.3%		5.4%													
NIM		2.4%		3.3%													
C/I ratio		72.7%		61.2%													
ROI		3.6%		1.6%													
Avg. ROE		11.9%		10.9%													

1) Opex (incl. insurance) / Core operating income

2) ROE = Total comprehensive income ÷ [Equity at 1 Jan - (9/12 × Dividends) ± (6/12 × Other changes)]