

Íslandsbanki hf. - Forecast 2026-2035 and valuation as of 1 Jan 2026

Amounts are in million ISK / %	Rauntölur	Rauntölur	Rauntölur	Rauntölur	Rauntölur	Spá	Spá	Spá	Spá	Spá	Spá	Spá	Spá	Spá	Spá	
Consolidated basis	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	31/12/2035	
Statement of Comprehensive Income																
Net interest income	34.043	43.126	48.611	47.265	52.471	53.799	55.662	56.988	60.139	63.447	66.935	70.616	74.499	78.595	82.916	
Net fee and commission income	12.849	14.053	13.283	13.122	14.099	15.015	15.991	16.871	17.799	18.778	19.811	20.900	22.050	23.262	24.542	
Net financial income	2.499	-1.257	241	-338	-922	1.496	1.593	1.689	1.782	1.880	1.983	2.092	2.207	2.329	2.457	
Net foreign exchange gain	479	881	581	607	427	0	0	0	0	0	0	0	0	0	0	
Other operating income	302	433	570	2.401	1.165	727	766	774	814	856	900	946	994	1.045	1.098	
Operating income	50.172	57.236	63.286	63.057	67.240	71.038	74.012	76.322	80.534	84.960	89.629	94.554	99.749	105.231	111.013	
Operating expenses	-23.884	-24.083	-26.652	-28.098	-29.480	-30.967	-32.244	-33.237	-35.072	-37.001	-39.036	-41.182	-43.447	-45.836	-48.356	
Net impairment	3.018	1.576	-1.015	645	-681	-4.235	-4.510	-4.780	-5.043	-5.320	-5.613	-5.921	-6.247	-6.591	-6.953	
Income tax expense and bank levy	-6.802	-10.343	-11.069	-11.358	-11.830	-10.630	-11.102	-11.463	-12.106	-12.781	-13.494	-14.245	-15.038	-15.874	-16.757	
Discont. ops. and other comp. income (loss)	695	2.678	-4.167	-228	-655	0	0	0	0	0	0	0	0	0	0	
Total comprehensive income	23.199	27.064	20.383	24.018	24.594	25.206	26.157	26.843	28.313	29.858	31.487	33.205	35.018	36.930	38.947	
Operating income, chg. in %	16,3%	14,1%	10,6%	-0,4%	6,6%	5,6%	4,2%	3,1%	5,5%	5,5%	5,5%	5,5%	5,5%	5,5%	5,5%	
Core op. income / risk-wtd. exposure amt.	5,2%	5,7%	6,3%	5,8%	6,4%	6,2%	6,0%	5,9%	5,9%	5,9%	5,9%	5,9%	5,9%	5,9%	5,9%	
Net interest margin	2,5%	2,9%	3,1%	3,0%	3,1%	3,0%	2,9%	2,8%	2,8%	2,8%	2,8%	2,8%	2,8%	2,8%	2,8%	
Cost-to-core income 1)	50,9%	42,1%	43,1%	46,5%	44,3%	45,0%	45,0%	45,0%	45,0%	45,0%	45,0%	45,0%	45,0%	45,0%	45,0%	
Net impairment / loans	0,3%	0,1%	-0,1%	0,1%	-0,1%	-0,3%	-0,3%	-0,3%	-0,3%	-0,3%	-0,3%	-0,3%	-0,3%	-0,3%	-0,3%	
Return on equity (ROE) 2)	12,7%	13,9%	9,8%	11,4%	11,7%	11,7%	11,6%	11,4%	11,6%	11,7%	11,9%	12,0%	12,1%	12,3%	12,4%	
Financial Position																
Loans to customers	1.086.327	1.186.639	1.223.426	1.295.388	1.367.106	1.455.968	1.550.606	1.635.889	1.725.863	1.820.785	1.920.929	2.026.580	2.138.042	2.255.634	2.379.694	
Financial instruments	163.966	146.672	174.583	166.948	172.476	183.687	195.627	206.386	217.737	229.713	242.347	255.676	269.738	284.574	300.225	
Thereof hedge	60.302	13.855	12.747	20.231	20.641	21.983	23.412	24.699	26.058	27.491	29.003	30.598	32.281	34.056	35.929	
Other assets	178.528	232.924	184.685	145.471	188.565	218.810	234.027	248.044	261.724	276.088	291.237	307.217	324.073	341.855	360.613	
Total assets	1.428.821	1.566.235	1.582.694	1.607.807	1.728.147	1.858.465	1.980.260	2.090.319	2.205.324	2.326.587	2.454.513	2.589.473	2.731.853	2.882.063	3.040.532	
Deposits	744.036	789.897	850.709	926.846	968.695	1.019.178	1.085.424	1.145.122	1.208.104	1.274.550	1.344.650	1.418.606	1.496.629	1.578.944	1.665.786	
Borrowings	437.988	502.662	455.728	399.281	484.908	543.466	585.399	622.432	659.919	699.434	741.124	785.109	831.516	880.478	932.136	
Other liabilities	43.087	54.802	51.564	54.325	49.185	57.857	61.698	65.186	68.857	72.704	76.761	81.042	85.558	90.322	95.349	
Equity	203.710	218.874	224.693	227.355	225.359	237.965	247.738	257.579	268.444	279.898	291.978	304.716	318.151	332.319	347.262	
Total equity and liabilities	1.428.821	1.566.235	1.582.694	1.607.807	1.728.147	1.858.465	1.980.260	2.090.319	2.205.324	2.326.587	2.454.513	2.589.473	2.731.853	2.882.063	3.040.532	
Cash and cash equiv. / balance sheet PY	8,5%	6,6%	5,6%	4,2%	5,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	
Loans to customers, change	7,9%	9,2%	3,1%	5,9%	5,5%	6,5%	6,5%	5,5%	5,5%	5,5%	5,5%	5,5%	5,5%	5,5%	5,5%	
Deposits / loans to costumers	68,5%	66,6%	69,5%	71,5%	70,9%	70,0%	70,0%	70,0%	70,0%	70,0%	70,0%	70,0%	70,0%	70,0%	70,0%	
Dividend paid	3.400	11.900	12.254	12.303	12.103	12.600	16.384	17.002	17.448	18.404	19.408	20.466	21.583	22.762	24.004	
Dividend / prior-year total comp. income	51,1%	51,3%	45,3%	60,4%	50,4%	51,2%	65,0%	65,0%	65,0%	65,0%	65,0%	65,0%	65,0%	65,0%	65,0%	
Total risk-weighted exposure amount (REA)	901.646	999.491	977.032	1.040.972	1.033.788	1.111.745	1.184.603	1.250.442	1.319.238	1.391.778	1.468.304	1.549.038	1.634.211	1.724.068	1.818.865	
CET1 ratio - goal - mm. 16-18%	21,3%	18,7%	21,4%	20,1%	20,1%	19,7%	19,3%	19,0%	18,7%	18,5%	18,3%	18,1%	17,9%	17,8%	17,6%	
Valuation - ISK																
Wtd. avg. shares (m)	2.000	2.000	1.992	1.934	1.854	1.780	1.780	1.780	1.780	1.780	1.780	1.780	1.780	1.780	1.780	
Total comp. income (million ISK)	23.199	27.064	20.383	24.018	24.594	25.206	26.157	26.843	28.313	29.858	31.487	33.205	35.018	36.930	38.947	
EPS (including OCI)	11,6	13,5	10,2	12,4	13,3	14,2	14,7	15,1	15,9	16,8	17,7	18,7	19,7	20,7	21,9	
DPS	1,7	6,0	6,2	6,4	6,5	7,1	9,2	9,6	9,8	10,3	10,9	11,5	12,1	12,8	13,5	
BPS	101,9	109,4	113,5	120,0	126,6	133,7	139,2	144,7	150,8	157,2	164,0	171,2	178,7	186,7	195,1	
Sensitivity analysis																
		Net interest margin 2026-2035			Residual earnings ...	1,3	1,5	1,3	1,2	1,4	1,7	2,0	2,3	2,6	2,9	3,2
		2,6%	2,8%	3,0%		Discount rate	10,0%	1,1	1,2	1,3	1,5	1,6	1,8	1,9	2,1	2,4
Cost/ income 2026-2035	48,00%	136,9	147,9	158,8	Present value of RE	1,4	1,1	0,9	Total PV of RE	11,3	Continuing value (CV): RE 2035 x (1 + 4%) / (10% - 4%) =	55,7	Perpetuity growth rate	4,0%		
	45,00%	147,8	159,3	170,9		FV of CV	21,5									
	42,00%	158,6	170,8	183,0	BV per share 1.1.2026	126,6			FV per share	159,3	Value per share on 1.1.2026 in ISK					
Key figures		2021-2025	2026-2035		Outstanding shares ..	1.780	million		Equity value	283.625	Equity value on 1.1.2026 (ISK million)					
	OI chg. ..	9,3%	5,1%													
	NIM	2,9%	2,8%													
	COI / REA	5,9%	6,0%													
	C/I ratio	45,4%	45,0%													
	Avg. ROE .	11,9%	11,9%													

1) The cost ratio is operating expenses (ex-bank levy) divided by core income (interest and fee income).

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