

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

| Amounts are in million ISK / % Consolidated basis | Actual 31/12/2021 | Actual 31/12/2022 | Actual 31/12/2023 | Actual 31/12/2024 | Actual 31/12/2025 | Forecast 31/12/2026 | Forecast 31/12/2027 | Forecast 31/12/2028 | Forecast 31/12/2029 | Forecast 31/12/2030 | Forecast 31/12/2031 | Forecast 31/12/2032 | Forecast 31/12/2033 | Forecast 31/12/2034 | Forecast 31/12/2035 | |
|---|----------------------|--------------------------------------|----------------------|----------------------|----------------------|--|------------------------|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-----|
| Statement of Comprehensive Income | | | | | | | | | | | | | | | | |
| Net interest income | 4,646 | 7,675 | 8,021 | 9,681 | 11,896 | 12,100 | 12,414 | 12,776 | 13,633 | 14,361 | 15,119 | 15,917 | 16,760 | 17,649 | 18,587 | |
| Net fee and commission income | 6,827 | 6,408 | 5,916 | 6,137 | 6,291 | 6,700 | 7,135 | 7,528 | 7,942 | 8,379 | 8,840 | 9,326 | 9,839 | 10,380 | 10,951 | |
| Insurance service results | 4,247 | 4,210 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Net financial income | 5,672 | 0 | 442 | 1,054 | 926 | 1,927 | 1,458 | 989 | 1,043 | 1,101 | 1,161 | 1,225 | 1,293 | 1,364 | 1,439 | |
| Other operating income | 604 | 887 | 473 | 312 | 298 | 296 | 315 | 333 | 352 | 372 | 394 | 416 | 440 | 466 | 492 | |
| Operating income | 21,996 | 19,180 | 14,852 | 17,184 | 19,411 | 21,022 | 21,323 | 21,626 | 22,971 | 24,213 | 25,513 | 26,885 | 28,331 | 29,858 | 31,468 | |
| Operating expenses | -11,635 | -13,076 | -10,785 | -10,608 | -12,074 | -12,408 | -12,512 | -12,589 | -12,945 | -13,644 | -14,375 | -15,146 | -15,959 | -16,817 | -17,722 | |
| Net impairment | 139 | -532 | -1,027 | -605 | -515 | -654 | -719 | -791 | -852 | -898 | -948 | -1,000 | -1,055 | -1,113 | -1,174 | |
| Revaluation of contingent consideration ... | -14 | 48 | -31 | -154 | -604 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Income tax expense and bank levy | 177 | -706 | -705 | -1,127 | -1,855 | -2,177 | -2,233 | -2,303 | -2,103 | -2,219 | -2,341 | -2,470 | -2,606 | -2,749 | -2,900 | |
| Discont. ops. and other comp. income (loss) .. | -84 | -504 | 1,403 | 3,800 | 2,065 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total comprehensive income | 10,579 | 4,410 | 3,707 | 8,490 | 6,428 | 5,783 | 5,859 | 5,944 | 7,072 | 7,451 | 7,849 | 8,269 | 8,712 | 9,179 | 9,672 | |
| Net interest margin | 2.5% | 2.8% | 2.5% | 2.8% | 3.4% | 3.4% | 3.3% | 3.2% | 3.2% | 3.2% | 3.2% | 3.2% | 3.2% | 3.2% | 3.2% | |
| Cost-to-core income 1) | 74.0% | 71.5% | 77.4% | 67.1% | 66.4% | 66.0% | 64.0% | 62.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | |
| Net impairment / loans | 0.3% | -0.6% | -0.8% | -0.4% | -0.3% | -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) | 24.3% | 5.7% | 4.7% | 10.4% | 9.2% | 8.5% | 9.5% | 9.7% | 11.2% | 11.3% | 11.4% | 11.6% | 11.7% | 11.8% | 12.0% | |
| Financial Position | | | | | | | | | | | | | | | | |
| Loans to customers | 71,588 | 107,139 | 136,324 | 150,203 | 207,560 | 228,316 | 251,148 | 276,262 | 291,457 | 307,487 | 324,399 | 342,241 | 361,064 | 380,922 | 401,873 | |
| Securities | 62,729 | 84,571 | 68,834 | 70,227 | 65,185 | 68,433 | 56,906 | 60,036 | 63,338 | 66,822 | 70,497 | 74,374 | 78,465 | 82,780 | 87,333 | |
| Securities used for hedging | 22,086 | 13,842 | 16,852 | 12,601 | 6,695 | 7,130 | 7,594 | 8,011 | 8,452 | 8,917 | 9,407 | 9,925 | 10,470 | 11,046 | 11,654 | |
| Other assets | 89,836 | 97,636 | 113,387 | 121,563 | 63,672 | 64,793 | 68,050 | 70,507 | 74,016 | 77,095 | 80,306 | 83,692 | 87,265 | 91,036 | 95,014 | |
| Total assets | 246,239 | 303,188 | 335,397 | 354,594 | 343,112 | 368,672 | 383,698 | 414,817 | 437,262 | 460,320 | 484,609 | 510,232 | 537,265 | 565,785 | 595,875 | |
| Equity | 78,367 | 81,190 | 81,958 | 89,516 | 68,935 | 73,152 | 64,011 | 66,146 | 69,355 | 72,210 | 75,215 | 78,382 | 81,719 | 85,235 | 88,941 | |
| Deposits | 78,670 | 112,245 | 142,566 | 163,378 | 172,787 | 184,018 | 195,979 | 206,758 | 218,130 | 230,127 | 242,784 | 256,137 | 270,225 | 285,087 | 300,767 | |
| Borrowings | 53,231 | 69,910 | 66,732 | 57,142 | 85,896 | 94,036 | 104,192 | 121,377 | 128,440 | 135,471 | 142,858 | 150,655 | 158,886 | 167,574 | 176,744 | |
| Short positions held for trading | 1,324 | 1,486 | 132 | 153 | 433 | 461 | 491 | 518 | 547 | 577 | 608 | 642 | 677 | 714 | 754 | |
| Other liabilities | 34,647 | 38,357 | 44,009 | 44,405 | 15,061 | 17,005 | 19,024 | 20,018 | 20,792 | 21,936 | 23,142 | 24,415 | 25,758 | 27,174 | 28,669 | |
| Total equity and liabilities | 246,239 | 303,188 | 335,397 | 354,594 | 343,112 | 368,672 | 383,698 | 414,817 | 437,262 | 460,320 | 484,609 | 510,232 | 537,265 | 565,785 | 595,875 | |
| Loans to customers, change | 144.1% | 49.7% | 27.2% | 10.2% | 38.2% | 10.0% | 10.0% | 10.0% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | |
| Deposits / loans to costumers | 109.9% | 104.8% | 104.6% | 108.8% | 83.2% | 80.6% | 78.0% | 74.8% | 74.8% | 74.8% | 74.8% | 74.8% | 74.8% | 74.8% | 74.8% | |
| Dividend paid | 0 | 0 | 1,912 | 0 | 23,135 | 1,566 | 15,000 | 3,808 | 3,863 | 4,596 | 4,843 | 5,102 | 5,375 | 5,663 | 5,966 | |
| Dividend / owners' total comp. income | 0.0% | 0.0% | 43.7% | 0.0% | 272.7% | 24.4% | 259.4% | 65.0% | 65.0% | 65.0% | 65.0% | 65.0% | 65.0% | 65.0% | 65.0% | |
| Total risk-weighted exposure amount (REA) .. | 96,011 | 137,970 | 172,832 | 193,844 | 186,767 | 205,444 | 225,988 | 248,587 | 262,259 | 276,683 | 291,901 | 307,956 | 324,893 | 342,762 | 361,614 | |
| CET1 ratio - goal 14,9-16,9% | 30.4% | 20.9% | 19.6% | 19.9% | 23.9% | 23.1% | 18.4% | 17.2% | 17.1% | 16.9% | 16.7% | 16.5% | 16.3% | 16.1% | 15.9% | |
| Valuation - ISK | | | | | | | | | | | | | | | | |
| Wtd. avg. shares (m) | 4,105 | 4,786 | 4,757 | 4,698 | 4,496 | 4,417 | 4,417 | 4,417 | 4,417 | 4,417 | 4,417 | 4,417 | 4,417 | 4,417 | 4,417 | |
| Total comp. income - owners (million ISK) .. | 10,650 | 4,375 | 3,691 | 8,484 | 6,431 | 5,783 | 5,859 | 5,944 | 7,072 | 7,451 | 7,849 | 8,269 | 8,712 | 9,179 | 9,672 | |
| Owners' equity at year-end (million ISK) ... | 78,416 | 81,113 | 81,886 | 89,438 | 68,859 | 73,076 | 63,935 | 66,070 | 69,279 | 72,134 | 75,139 | 78,306 | 81,643 | 85,159 | 88,865 | |
| EPS (including OCI) | 2.6 | 0.9 | 0.8 | 1.8 | 1.4 | 1.3 | 1.3 | 1.3 | 1.6 | 1.7 | 1.8 | 1.9 | 2.0 | 2.1 | 2.2 | |
| DPS | 0.0 | 0.0 | 0.4 | 0.0 | 5.1 | 0.4 | 3.4 | 0.9 | 0.9 | 1.0 | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 | |
| BPS | 16.4 | 17.0 | 17.3 | 19.2 | 15.6 | 16.5 | 14.5 | 15.0 | 15.7 | 16.3 | 17.0 | 17.7 | 18.5 | 19.3 | 20.1 | |
| Sensitivity analysis | | | | | | | | | | | | | | | | |
| | | Net interest margin 2026-2035 | | | | | | | | | | | | | | |
| | | 3.0% | 3.2% | 3.4% | | | | | | | | | | | | |
| Cost/ | 64.2% | 15.2 | 15.9 | 16.6 | | | | | | | | | | | | |
| income | 61.2% | 16.6 | 17.4 | 18.1 | | | | | | | | | | | | |
| 2026-2035 | 58.2% | 18.0 | 18.8 | 19.6 | | | | | | | | | | | | |
| | | | | | | Residual earnings ... | -0.2 | -0.3 | -0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.3 |
| | | | | | | Discount rate | 10.0% | 1.1 | 1.2 | 1.3 | 1.5 | 1.6 | 1.8 | 1.9 | 2.1 | 2.4 |
| | | | | | | Present value of RE .. | -0.2 | -0.3 | -0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | |
| | | | | | | Total PV of RE | 0.0 | | | | | | | | | |
| | | | | | | PV of CV | 1.7 | | | | | | | | | |
| | | | | | | BV per share 1.1.2026 | 15.6 | | | | | | | | | |
| | | | | | | PV per share | 17.4 | | | | | | | | | |
| | | | | | | Value per share on 1.1.2026 in ISK | | | | | | | | | | |
| | | | | | | Outstanding shares .. | 4,417 | million | | | | | | | | |
| | | | | | | Equity value | 76,722 | Equity value on 1.1.2026 (ISK million) | | | | | | | | |
| | | | | | | Continuing value (CV): RE 2035 x (1 + 4%) / (10% - 4%) = 4.5 | | | | | | | | | | |
| | | | | | | Perpetuity growth rate 4.0% | | | | | | | | | | |
| Key figures | | | | | | | | | | | | | | | | |
| | 2021-2025 | 2026-2035 | | | | | | | | | | | | | | |
| OI chg. ... | 17.5% | 5.0% | | | | | | | | | | | | | | |
| NIM | 2.8% | 3.2% | | | | | | | | | | | | | | |
| C/I ratio | 71.3% | 61.2% | | | | | | | | | | | | | | |
| Avg. ROE . | 10.9% | 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)] | | | | | | | | | | | | | | | | |