

**Sjóvá-Almennar tryggingar 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 1) 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	
<b>Statement of Comprehensive Income</b>																
Insurance revenue .....	23,953	28,011	31,273	33,597	34,778	37,039	39,446	41,616	43,904	46,319	48,867	51,554	54,390	57,381	60,537	
Insurance service expenses .....	-21,281	-26,000	-29,548	-31,720	-32,046	-34,631	-36,882	-38,911	-41,051	-43,308	-46,179	-48,719	-51,398	-54,225	-57,208	
Net expenses from reinsurance contracts .....	-776	-489	-30	-594	-156	-556	-592	-624	-659	-695	-733	-773	-816	-861	-908	
<b>Insurance service results .....</b>	<b>1,896</b>	<b>1,522</b>	<b>1,695</b>	<b>1,283</b>	<b>2,576</b>	<b>1,852</b>	<b>1,972</b>	<b>2,081</b>	<b>2,195</b>	<b>2,316</b>	<b>1,955</b>	<b>2,062</b>	<b>2,176</b>	<b>2,295</b>	<b>2,421</b>	
Net financial income .....	497	1,586	931	671	609	490	543	562	594	628	662	698	737	778	821	
Fair value change of financial assets .....	7,887	88	3,869	4,803	1,840	5,345	5,692	5,559	5,879	6,224	6,568	6,926	7,319	7,734	8,172	
Operating expenses of investment .....	-235	-291	-300	-394	-411	-426	-454	-480	-508	-537	-566	-598	-632	-667	-705	
Net finance exp. from insurance contracts ..	99	143	-894	-1,645	-1,590	-1,601	-1,562	-1,361	-1,436	-1,515	-1,598	-1,686	-1,779	-1,876	-1,980	
<b>Investment results after financial items .....</b>	<b>8,248</b>	<b>1,526</b>	<b>3,606</b>	<b>3,435</b>	<b>448</b>	<b>3,809</b>	<b>4,219</b>	<b>4,280</b>	<b>4,529</b>	<b>4,799</b>	<b>5,066</b>	<b>5,341</b>	<b>5,646</b>	<b>5,968</b>	<b>6,309</b>	
Other income .....	241	138	157	170	162	168	175	180	186	191	197	203	209	215	222	
Operating expenses .....	-38	-49	-46	-53	-56	-58	-61	-62	-64	-66	-68	-70	-72	-74	-77	
Other interest expenses .....	0	-67	-68	-67	-65	-61	-62	-66	-70	-73	-78	-82	-86	-91	-96	
Income tax expenses .....	-778	-420	-719	-527	-999	-794	-859	-860	-911	-966	-895	-946	-1,002	-1,061	-1,123	
<b>Total comprehensive income .....</b>	<b>9,569</b>	<b>2,650</b>	<b>4,625</b>	<b>4,241</b>	<b>2,066</b>	<b>4,916</b>	<b>5,384</b>	<b>5,553</b>	<b>5,866</b>	<b>6,201</b>	<b>6,177</b>	<b>6,507</b>	<b>6,870</b>	<b>7,252</b>	<b>7,656</b>	
Insurance revenue, chg. in % .....	15.0%	16.9%	11.6%	7.4%	3.5%	6.5%	6.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	
Claims and reinsurance ratio .....	72.4%	74.0%	75.0%	76.5%	73.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	
Insurance expense ratio .....	17.7%	20.6%	19.6%	19.7%	19.6%	20.0%	20.0%	20.0%	20.0%	20.0%	21.0%	21.0%	21.0%	21.0%	21.0%	
Combined ratio .....	90.0%	94.6%	94.6%	96.2%	92.6%	95.0%	95.0%	95.0%	95.0%	95.0%	96.0%	96.0%	96.0%	96.0%	96.0%	
Return on investment assets and cash .....	17.3%	3.2%	8.7%	9.0%	3.8%	8.8%	8.9%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	
Return on equity (ROE) 2) .....	55.1%	12.9%	23.7%	19.7%	9.1%	21.2%	21.3%	20.6%	20.5%	20.4%	19.1%	19.0%	19.0%	18.9%	18.9%	
<b>Financial Position</b>																
Cash and cash equivalents .....	1,095	1,189	3,600	1,568	1,754	1,922	2,018	2,119	2,225	2,336	2,453	2,575	2,704	2,839	2,981	
Securities .....	50,836	51,254	54,267	62,576	62,922	66,124	70,612	74,618	78,991	83,614	87,989	92,976	98,252	103,820	109,697	
Other assets .....	9,717	9,240	11,438	11,548	12,198	11,751	12,499	13,173	13,884	14,634	15,426	16,261	17,142	18,071	19,052	
<b>Total assets .....</b>	<b>61,648</b>	<b>61,683</b>	<b>69,305</b>	<b>75,692</b>	<b>76,874</b>	<b>79,797</b>	<b>85,129</b>	<b>89,909</b>	<b>95,100</b>	<b>100,584</b>	<b>105,867</b>	<b>111,813</b>	<b>118,098</b>	<b>124,731</b>	<b>131,730</b>	
Equity .....	24,237	21,332	23,321	25,128	24,024	27,840	29,783	31,567	33,545	35,640	37,477	39,660	41,975	44,418	46,998	
Insurance contract liabilities .....	28,055	32,059	36,749	41,713	43,651	42,594	45,363	47,858	50,490	53,267	56,197	59,288	62,548	65,989	69,618	
Other liabilities .....	9,356	8,292	9,235	8,851	9,199	9,362	9,984	10,484	11,064	11,676	12,193	12,865	13,575	14,324	15,114	
<b>Total equity and liabilities .....</b>	<b>61,648</b>	<b>61,683</b>	<b>69,305</b>	<b>75,692</b>	<b>76,874</b>	<b>79,797</b>	<b>85,129</b>	<b>89,909</b>	<b>95,100</b>	<b>100,584</b>	<b>105,867</b>	<b>111,813</b>	<b>118,098</b>	<b>124,731</b>	<b>131,730</b>	
Shares-to-securities ratio .....	35.0%	35.3%	33.8%	29.7%	29.6%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	
Insurance liabilities / revenues .....	117.1%	114.5%	117.5%	124.2%	125.5%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%	
Dividend paid .....	2,652	3,802	1,893	2,452	3,400	1,100	3,441	3,769	3,887	4,106	4,340	4,324	4,555	4,809	5,077	
Dividend / prior-year total comp. income ..	49.8%	39.7%	71.4%	53.0%	80.2%	53.2%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	
Solvency capital requirement (SRC) .....	14,398	13,902	15,290	15,806	16,928	18,028	19,200	20,256	21,370	22,546	23,786	25,094	26,474	27,930	29,466	
Solvency ratio (goal 1,4 - 1,7) .....	1.40	1.41	1.40	1.42	1.40	1.39	1.39	1.40	1.41	1.42	1.42	1.43	1.43	1.43	1.45	
<b>Valuation - ISK</b>																
Wtd. avg. shares (m) .....	1,303	1,192	1,166	1,157	1,157	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	
Total comp. income (million ISK) .....	9,569	2,650	4,625	4,241	2,066	4,916	5,384	5,553	5,866	6,201	6,177	6,507	6,870	7,252	7,656	
EPS .....	7.3	2.2	4.0	3.7	1.8	4.2	4.6	4.8	5.0	5.3	5.3	5.6	5.9	6.2	6.6	
DPS .....	2.0	3.2	1.6	2.1	2.9	0.9	3.0	3.2	3.3	3.5	3.7	3.7	3.9	4.1	4.4	
BPS .....	19.7	18.1	20.2	21.7	20.7	24.0	25.6	27.2	28.9	30.7	32.3	34.1	36.1	38.2	40.4	
<b>Sensitivity analysis</b>																
		<b>Insurance expense ratio 2026-2035</b>			Residual earnings ...	2.2	2.2	2.2	2.3	2.4	2.2	2.4	2.5	2.6	2.8	
		22.0%	20.5%	19.0%												
<b>Return on shares 2026-2035</b>		10.0%	41.2	47.3	53.5	Discount rate .....	10.0%	1.1	1.2	1.3	1.5	1.6	1.8	1.9	2.1	2.4
		12.0%	47.3	53.6	59.8											
		14.0%	53.7	60.1	66.5	Present value of RE .	2.0	1.8	1.7	1.6	1.5	1.3	1.2	1.2	1.1	1.1
		14.4	14.4	14.4												
					Total PV of RE .....	14.4	Continuing value (CV): RE 2035 x (1 + 4%) / (10% - 4%) =									47.9
					BV per share 1.1.2026	20.7	Perpetuity growth rate									4.0%
<b>Key figures</b>		<b>2021-2025</b>	<b>2026-2035</b>			Outstanding shares ..	1,162	Equity value on 1.1.2026 (ISK million)								
InsRev chg.	10.8%	5.7%														
C&R ratio	74.2%	75.0%														
Exp. ratio	19.4%	20.5%														
ROI .....	8.4%	8.3%														
Avg. ROE ..	24.1%	19.9%														

1) The 2022 income statement has been restated in line with revised accounting standards; prior years were restated by the analyst.

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