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

Amounts are in million ISK / %	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
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															
Insurance revenue	23,041	24,467	26,474	29,182	31,959	34,036	36,249	38,242	40,346	42,565	44,906	47,376	49,981	52,730	55,630
Insurance service expenses	-22,674	-22,674	-26,156	-26,754	-28,006	-31,117	-33,140	-34,963	-36,886	-38,914	-41,504	-43,787	-46,195	-48,735	-51,416
Net expenses from reinsurance contracts	182	-579	-175	-949	-983	-1,047	-1,115	-1,176	-1,241	-1,309	-1,381	-1,457	-1,537	-1,622	-1,711
Insurance service results	549	1,214	143	1,479	2,970	1,872	1,994	2,103	2,219	2,341	2,021	2,132	2,249	2,373	2,503
Net interest income	271	0	73	237	461	473	598	717	799	881	952	1,022	1,099	1,180	1,264
Net fee and commission income	0	0	356	1,816	2,357	2,510	2,673	2,820	2,976	3,139	3,312	3,494	3,686	3,889	4,103
Net financial income	7,337	-159	2,830	1,900	39	1,376	3,376	3,456	3,646	3,847	4,058	4,281	4,517	4,765	5,027
Other operating income (incl. associates)	66	47	83	241	321	249	263	278	294	311	328	347	367	388	391
Net operating income	8,224	1,102	3,485	5,673	6,148	6,480	8,904	9,374	9,934	10,518	10,671	11,276	11,918	12,594	13,288
Operating expenses	-49	-48	-888	-2,967	-3,508	-3,580	-3,762	-3,891	-3,963	-4,020	-4,051	-4,290	-4,546	-4,815	-5,098
Net impairments	-40	0	0	-11	-7	-37	-41	-44	-47	-51	-53	-56	-59	-63	-66
Amortization of intangible assets	0	0	-806	-150	-196	-146	-131	-118	-106	-95	-86	-77	-70	-63	-56
Income tax expenses	-451	-114	40	-287	-535	-547	-593	-645	-737	-836	-828	-881	-936	-994	-1,050
Other comprehensive income (loss)	0	0	0	-9	5	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	7,684	940	1,831	2,249	1,907	2,170	4,378	4,676	5,080	5,516	5,653	5,972	6,307	6,660	7,018
Insurance revenue, chg. in %	2.4%	6.2%	8.2%	10.2%	9.5%	6.5%	6.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Claims and reinsurance ratio	74.1%	73.2%	77.2%	75.8%	72.6%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Insurance expense ratio	23.5%	21.8%	22.3%	19.1%	18.1%	19.5%	19.5%	19.5%	19.5%	19.5%	20.5%	20.5%	20.5%	20.5%	20.5%
Combined ratio	97.6%	95.0%	99.5%	94.9%	90.7%	94.5%	94.5%	94.5%	94.5%	94.5%	95.5%	95.5%	95.5%	95.5%	95.5%
Cost-to-income ratio in financial ops. 1)	-	-	-	144.5%	124.5%	120.0%	115.0%	110.0%	105.0%	100.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Investment income	7,654	1,174	4,811	3,695	2,481	2,816	4,973	4,912	5,182	5,467	5,768	6,085	6,420	6,773	7,145
Return on investment assets	19.4%	2.8%	11.3%	8.6%	5.7%	5.8%	8.9%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%
Return on equtiy (ROE) 2)	53.1%	5.4%	10.1%	11.1%	8.6%	9.3%	18.1%	18.0%	18.5%	19.0%	18.4%	18.4%	18.4%	18.4%	18.3%
Financial Position															
Financial assets	43,459	41,854	47,658	51,891	55,889	59,522	63,391	66,877	70,555	74,436	78,530	82,849	87,406	92,213	97,285
Loans to customers	0	0	1,673	7,880	11,837	12,962	14,063	15,259	16,403	17,305	18,257	19,261	20,320	21,438	22,617
Other assets	15,604	8,300	16,509	19,209	17,309	19,602	20,387	21,117	21,905	22,751	23,657	24,625	25,658	26,756	27,923
Total assets	59,063	50,154	65,840	78,980	85,035	92,085	97,841	103,253	108,863	114,492	120,444	126,736	133,384	140,407	147,825
Equity	20,453	17,325	21,172	22,271	23,984	25,394	28,253	29,865	31,671	33,631	35,423	37,438	39,565	41,810	44,165
Financial liabilities (incl. sub. bond)	3,033	3,320	12,802	21,514	24,861	26,443	26,752	28,221	29,564	30,637	32,059	33,447	34,921	36,484	38,153
Insurance contract liabilities	30,287	25,088	26,534	29,744	30,331	34,036	36,249	38,242	40,346	42,565	44,906	47,376	49,981	52,730	55,630
Other liabilities	5,290	4,421	5,332	5,451	5,859	6,211	6,587	6,925	7,282	7,659	8,056	8,475	8,917	9,384	9,876
Total equity and liabilities	59,063	50,154	65,840	78,980	85,035	92,085	97,841	103,253	108,863	114,492	120,444	126,736	133,384	140,407	147,825
Shares-to-securities ratio	35.2%	34.6%	26.2%	31.7%	28.7%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Insurance liabilities / revenues	131.4%	102.5%	100.2%	101.9%	94.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Dividend paid	1,597	3,500	939	985	500	760	1,519	3,065	3,274	3,556	3,861	3,957	4,180	4,415	4,662
Dividend / owners´ total comp. income	88.8%	45.5%	99.9%	53.3%	22.2%	39.9%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Solvency capital requirement (SRC)	12,575	11,523	12,609	15,903	17,264	18,386	19,581	20,658	21,794	22,993	24,258	25,592	26,999	28,484	30,051
Solvency ratio	1.48	1.58	1.56	1.35	1.31	1.29	1.31	1.32	1.34	1.36	1.38	1.39	1.40	1.42	1.44
Valuation - ISK															
Wtd. avg. shares (m)	1,750	1,717	1,906	1,896	1,897	1,906	1,906	1,906	1,906	1,906	1,906	1,906	1,906	1,906	1,906
Comp. income to owners (million ISK)	7,684	940	1,847	2,255	1,905	2,170	4,378	4,676	5,080	5,516	5,653	5,972	6,307	6,660	7,018
Owners' equity at year-end (million ISK)	20,453	17,279	21,131	22,232	23,938	25,348	28,207	29,819	31,625	33,585	35,377	37,392	39,519	41,764	44,119
EPS (including OCI)	4.4	0.5	1.0	1.2	1.0	1.1	2.3	2.5	2.7	2.9	3.0	3.1	3.3	3.5	3.7
DPS	0.9	2.0	0.5	0.5	0.3	0.4	0.8	1.6	1.7	1.9	2.0	2.1	2.2	2.3	2.4
BPS	11.7	10.1	11.1	11.7	12.6	13.3	14.8	15.6	16.6	17.6	18.6	19.6	20.7	21.9	23.1

Sensitivity analysis		**Insurance expense ratio 2026-2035**		
		21.5%	20.0%	18.5%
Return on shares 2026-2035	9.0%	22.9	25.7	28.6
	11.0%	25.8	**28.6**	31.5
	13.0%	28.6	31.5	34.3

Residual earnings			-0.1	1.0	1.0	1.1	1.2	1.2	1.3	1.3	1.4	1.5
Discount rate	**10.0%**		1.1	1.2	1.3	1.5	1.6	1.8	1.9	2.1	2.4	2.6
Present value of RE			-0.1	0.8	0.7	0.8	0.8	0.7	0.7	0.6	0.6	0.6
Total PV of RE	6.1											
PV of CV	10.0											
BV per share 1.1.2026	12.6											
PV per share	**28.6**	Value per share on 1.1.2026 in ISK										
Outstanding shares	1,906	million										
Equity value	**54,521**	Equity value on 1.1.2026 (ISK million)										

Continuing value (CV): RE 2035 x (1 + 4%) / (10% - 4%) = 25.8

Perpetuity growth rate **4.0%**

Key figures	**2021-2025**	**2026-2035**
OpRev chg.	7.3%	5.7%
C&R ratio	74.6%	75.0%
Exp. ratio	21.0%	20.0%
ROI	9.1%	8.1%
Avg. ROE	17.6%	17.5%

1) Operating expenses / net interest and commission income (%)

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