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Q2 2026 Result Note – Beat

Analyst: Alexander Jensen Hjálmarsson
Price data as of market close 29/07/2026
Report completed 29/07/2026 at 23:00 GMT
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Note date	Assessment	Rating	Target price	Target price date	Last close	Difference
29/07/2026	Beat	BUY	ISK 291	24/11/2025	ISK 195,5	+49%

Bottom Line

Q2 net earnings of ISKm 8.050 came 5,9% above AKKUR (ISKm 7.605) but 2,8% below consensus (ISKm 8.285). The beat vs AKKUR is NII-led: NII of ISKm 15.219 came 4,1% above estimate and rose 7,2% YoY on 11,4% growth in customer lending, with NIM flat YoY at 3,50%, while impairments of ISKm 679 (19bp annualised) came well below the ISKm 1.190 modelled. Against that, opex rose 10,9% YoY (cost/core 40,4% vs 36,6%) and NFI was negative ISKm 68 on unlisted equity revaluations - the lines that put the print below consensus. Core PBT of ISKm 12.432 came 3,3% above AKKUR. CET1 of 17,7% is inside the 150-250bp management buffer for the first time as REA rose 4,2% QoQ on loan growth. **Thesis intact; rating and target price unchanged.**

Q2 2026 Results — Actual vs. AKKUR Estimate vs. Consensus

Key Figures ISKm	Actual Q2 26	AKKUR Q2 26	Variance ISKm	Variance %	Consensus Q2 26	vs. Consensus	Actual Q2 25	YoY %
Net Interest Income (1)	15.219	14.625	+594	+4,1%	15.016	+1,4%	14.200	**+7,2%**
NIM	*3,50%*	*3,40%*		*+10 bps*	*3,49%*	*+1 bps*	*3,50%*	*0 bps*
Net F&C Income (2)	3.987	3.992	-5	-0,1%	4.127	-3,4%	4.553	-12,4%
Net Insurance Results (3)	655	554	+101	+18,2%	763	-14,2%	1.066	-38,6%
Net Financial Income	-68	394	-462	n.m.	316	n.m.	179	n.m.
Total Operating Income	**19.944**	**19.665**	**+279**	**+1,4%**	**20.381**	**-2,1%**	**21.322**	**-6,5%**
Operating Expenses (4)	-7.429	-7.140	-289	+4,0%	-7.199	+3,2%	-6.697	+10,9%
Net Impairments	-679	-1.190	+511	-42,9%	-946	-28,2%	147	n.m.
Profit Before Tax	**11.254**	**10.779**	**+475**	**+4,4%**	**11.687**	**-3,7%**	**14.251**	**-21,0%**
Net Income	**8.050**	**7.605**	**+445**	**+5,8%**	**8.285**	**-2,8%**	**10.267**	**-21,6%**
Core PBT (1+2+3+4)	**12.432**	**12.031**	**+401**	**+3,3%**	**12.707**	**-2,2%**	**13.122**	**-5,3%**
*ROE**	*15,7%*	*14,9%*		*+87 bps*	*16,1%*	*-32 bps*	*20,9%*	*-513 bps*

Consensus: mean of contributing analysts (Modular Finance, via Arion IR). AKKUR contributes and is the only individually published estimate.
** AKKUR calculations*

Valuation Read

Directional implication: the quarter supports the NII and asset-quality assumptions behind the ISK 291 fair value; preliminary FY26E revision is +3,9% on net earnings. Offsets - opex ~+11% YoY against the <45% cost/core target and CET1 now inside the management buffer - shift distributions from excess-capital release toward earnings-funded payouts.

Trigger for TP update: scheduled annual refresh; ad-hoc if H2 opex growth fails to decelerate, cost of risk re-normalises materially above ~20bp, or long-term NIM outlook deviates from ~3%.

Positives

- NII ISKm 15.219, +4,1% vs AKKURe and +7,2% YoY; NIM 3,50% flat YoY - volume-led (lending +11,4% YoY)
- Impairments ISKm 679, 19bp annualised, vs ISKm 1.190E; impairment ratio 0,90% vs 0,94% at YE25
- Vörður result ISKm 655 vs 554E; combined ratio 87,9% vs 88,9% assumed; insurance revenue +5,8% YoY
- EUR 300m senior preferred at MS+88bp, 8x oversubscribed; ISKbn 23,0 distributed in H1

Negatives

- Opex ISKm 7.429, +10,9% YoY and 4,0% above AKKURe; cost/core 40,4% vs 36,6%; salaries +9,0% YoY
- NFI ISKm -68 vs +394E on unlisted equity revaluations - the swing behind the consensus miss
- Fees -12,4% YoY and 3,4% below consensus; H1 -13,5% YoY despite record corporate lending
- CET1 17,7% (-80bp QoQ) now inside the management buffer; REA +4,2% - payouts turn earnings-dependent

All data from company annual/interim reports, Kodiak Excel and AKKUR estimates unless otherwise stated.

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Capital Position – Q2 2026 vs. Q1

Metric	Q1 26	Q2 26	Change
CET1 Ratio*	18,8%	18,7%	-16 bps
Total Capital Ratio*	22,8%	22,5%	-29 bps
RWA (ISKbn)	1.041	1.085	+43,8
CET1 Target Ratio	17,4%	17,4%	0 bps
Distributable Capital (ISKbn)*	**15,0**	**13,8**	**-1,1**

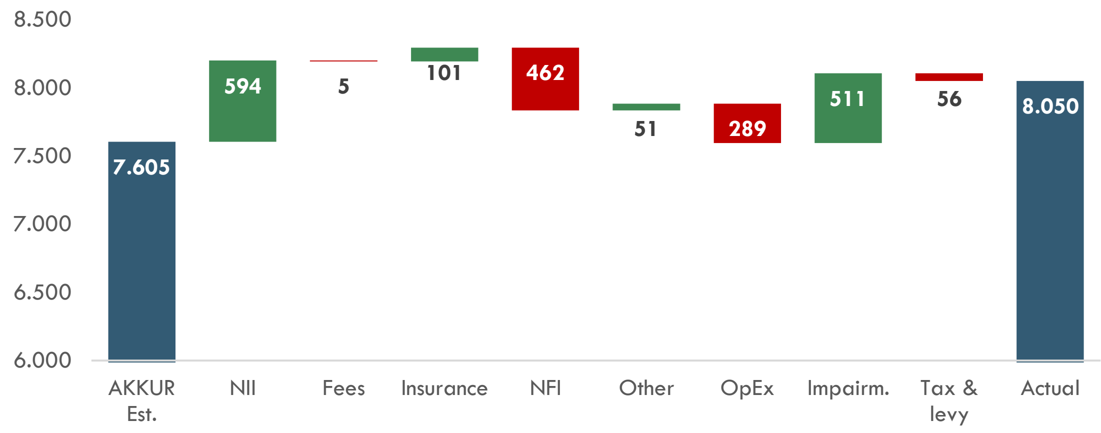
** Ratios exclude capital set aside for dividends/buybacks and distributable capital includes capital already set aside*

Estimates Changes Post Earnings – Preliminary

Key Figures ISKm	AKKUR FY 2026E Prior	AKKUR FY 2026E New	Variance ISKm	Variance %
Net Interest Income (1)	57.726	59.530	+1.804	+3,1%
NIM	*3,35%*	*3,46%*		*+11 bps*
Net F&C Income (2)	16.019	16.060	+41	+0,3%
Net Insurance Results (3)	1.570	1.563	-7	-0,5%
Net Financial Income	1.770	1.308	-462	-26,1%
Total Operating Income	**77.499**	**78.926**	**+1.427**	**+1,8%**
Operating Expenses (4)	-30.291	-30.793	-501	+1,7%
Net Impairments	-3.997	-3.486	+511	-12,8%
Profit Before Tax	**40.981**	**42.387**	**+1.406**	**+3,4%**
Net Income	**29.593**	**30.746**	**+1.152**	**+3,9%**
Core PBT (1+2+3+4)	**45.024**	**46.360**	**+1.336**	**+3,0%**
*ROE**	*13,5%*	*14,0%*		*+57 bps*
P/E	8,9x	8,6x		

** AKKUR calculations*

Net Income Variance – AKKUR Estimates to Actual (ISKm)



To Watch on the Call

1.	**NIM path & mix**	Corporate-mix drag vs ">3% annually" guide; deposit beta into a possible August hike
2.	**Opex trajectory**	Route back toward the 36-40% cost/core range; wage review clause; IT run-rate
3.	**Capital inside buffer**	Growth vs distributions at CET1 17,7%; buyback beyond remaining ISKbn 2,7
4.	**Impairments**	Durability of 19bp CoR; drivers of Q2 charge vs Q1 ISKm 391; stage 3 at 2,5%
5.	**NFI & Blikastaðir**	Unlisted revaluation detail; disposal timing / size for other income

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