ARION – Arion banki hf.

Q2 2026 Result Preview

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Price data as of market close 17/07/2026
Report completed 19/07/2026 at 21:00 GMT
First disseminated 20/07/2026 at 08:40 GMT

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Preview date	Reporting date	Rating	Target price	Target price date	Last close	Difference
20/07/2026	29/07/2026	BUY	ISK 291	24/11/2025	ISK 184,5	+58%

AKKUR View — Into Q2 2026

- Realized inflation print in Q2 roughly 1,5% (roughly unchanged YoY) compared to ~2,5% in Q1 resulting in lower NII QoQ but higher YoY. NIM estimate at 3,40%, down 10bps YoY and 40bps QoQ.
- Vörður combined ratio assumed at 88,9%, +950bps YoY.
- AKKUR expects impairments to increase QoQ and YoY.

AKKUR Estimates – Q2 2026E

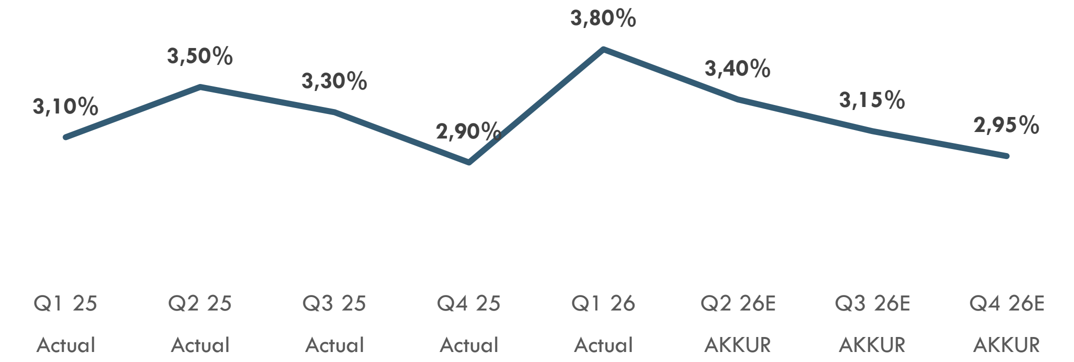
Key Figures ISKm	Actual Q2 25	AKKUR Q2 26E	YoY %	Consensus Q2 26E	Actual FY 2025	AKKUR FY 2026E	YoY %
Net Interest Income (1)	14.200	14.625	+3,0%	15.016	52.542	57.726	+9,9%
NIM	*3,50%*	*3,40%*	*-10 bps*	*3,49%*	*3,20%*	*3,35%*	*+15 bps*
Net F&C Income (2)	4.553	3.992	-12,3%	4.127	17.147	16.019	-6,6%
Net Insurance Results (3)	1.066	554	-48,0%	763	2.111	1.570	-25,6%
Net Financial Income	179	394	+119,9%	316	1.075	1.770	+64,6%
Total Operating Income	**21.322**	**19.665**	**-7,8%**	**20.381**	**78.391**	**77.499**	**-1,1%**
Operating Expenses (4)	-6.697	-7.140	+6,6%	-7.199	-28.248	-30.291	+7,2%
Net Impairments	147	-1.190	n.m.	-946	-3.053	-3.997	+30,9%
Profit Before Tax	**14.251**	**10.779**	**-24,4%**	**11.687**	**44.984**	**40.981**	**-8,9%**
Net Income	**10.267**	**7.605**	**-25,9%**	**8.285**	**32.526**	**29.593**	**-9,0%**
Core PBT (1+2+3+4)	**13.122**	**12.031**	**-8,3%**	**12.707**	**43.552**	**45.024**	**+3,4%**
ROE	*20,9%*	*14,9%*	*-600 bps*	*16,1%*	*15,3%*	*13,5%*	*-185 bps*

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

Five Things to Watch

1.	**NIM trajectory**	3,40%E vs. 3,50% in Q2 2025; realized inflation plus CPI imbalance the key driver
2.	**Net fees and commissions breakdown**	Loan & guarantee, payments, investment banking, AM
3.	**ROE**	Last 6 quarters range from 11,7%-20,9%
4.	**Vörður combined ratio**	Claims trajectory and profitability
5.	**CPI imbalance**	Increased imbalance increases NIM volatility

NIM Trend



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