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Q2 2026 Result Note – In Line

Analyst: Alexander Jensen Hjálmarsson
Price data as of market close 29/07/2026
Report completed 30/07/2026 at 00:30 GMT
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AKKUR
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Note date	Assessment	Rating	Target price	Target price date	Last close	Difference
29/07/2026	In Line	BUY	ISK 181	24/11/2025	ISK 145,8	+24%

Bottom Line

Q2 net income of ISKm 7.069 came 8,4% above AKKUR (ISKm 6.524), but the upside sits below the core: NII (+0,6%) and fees (+1,1%) were in line, core PBT of ISKm 10.479 was 1,4% below AKKURe on the ISKm 370 one-off, and the bottom-line delta came from impairments of ISKm 454 (13bp CoR) vs. AKKURe ISKm 1.041 plus a 26,8% tax rate. Versus consensus the print was slightly soft (NII -0,9%, fees -3,9%, NI -2,0%). The forward content is the story: FY26 ROE guidance raised to >12,5%, the CPI imbalance up ISKbn 30 to ISKbn 231, and first-ever tick guidance for Q3 at 1,35% (3Q25: 1,01%) all point estimates higher into H2 - against Stage 3 rising 60bp QoQ to 2,6% on construction exposures with only a 13bp charge. **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)	15.281	15.187	+94	+0,6%	15.416	-0,9%	13.881	+10,1%
NIM	*3,40%*	*3,40%*		*0 bps*	*3,40%*	*0 bps*	*3,30%*	*+10 bps*
Net F&C Income (2)	3.258	3.223	+35	+1,1%	3.389	-3,9%	3.620	-10,0%
Net Financial Income	173	92	+81	+88,4%	150	+15,3%	84	+106,0%
Total Operating Income	**18.713**	**18.602**	**+111**	**+0,6%**	**19.080**	**-1,9%**	**17.728**	**+5,6%**
Operating Expenses (3)	-8.060	-7.778	-282	+3,6%	-7.713	+4,5%	-7.261	+11,0%
Net Impairments	-454	-1.041	+587	-56,4%	-800	-43,3%	402	n.m.
Profit Before Tax	**9.651**	**9.235**	**+416**	**+4,5%**	**10.019**	**-3,7%**	**10.356**	**-6,8%**
Net Income	**7.069**	**6.524**	**+545**	**+8,3%**	**7.213**	**-2,0%**	**7.201**	**-1,8%**
Core PBT (1+2+3)	**10.479**	**10.632**	**-153**	**-1,4%**	**11.092**	**-5,5%**	**10.240**	**+2,3%**
*ROE**	*13,3%*	*12,3%*		*+104 bps*	*13,6%*	*-26 bps*	*13,0%*	*+33 bps*

Consensus: Íslandsbanki IR analyst survey mean. AKKUR contributes; only individually published estimate.
**AKKUR calculations*

Valuation Read

Directional implication: in-line core with raised FY guidance, a structurally larger CPI imbalance and guided ticks bias FY26/27 NII and NI estimates higher; the Stage 3 build is the offset - provisioning catch-up risk caps the upgrade. Read-through to fair value modestly positive.

Trigger for TP update: scheduled review; accelerated if H2 distributions toward the ~200bp excess guidance are confirmed, or if Stage 3 migration forces a cost-of-risk rebase above the 20-25bp band.

Positives

- FY26 ROE guidance raised to >12,5%; Q2 ROE 13,3% and H1 13,4% already above the new >13% medium-term target
- CPI imbalance +ISKbn 30 QoQ to ISKbn 231; Q3 ticks guided at 1,35% vs. 1,01% in 3Q25 - a ~ISKm 780 YoY NII tailwind
- NIM 3,4% exactly on AKKURe, +10bp YoY despite lower inflation ticks (1,43% vs. 1,51%)
- EPS +8,1% YoY to ISK 4,15 on 57,2m shares retired - buyback compounding vs. NI -1,7% YoY

Negatives

- Stage 3 +60bp QoQ to 2,6% (YE25: 1,5%), construction-driven; Stage 2 fell 3,9% to 2,6% - migration into Stage 3
- Fees -10,0% YoY; 3,9% below consensus
- Real estate portfolio Stage 3 at 3,6% (30.6.25: 2,9%); management cites prolonged new-build sale times
- Deposit margin ISKm -377 in the NII bridge - high betas make deposit spread the largest single YoY drag

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*	20,2%	20,2%	+0 bps
Total Capital Ratio*	24,0%	24,1%	+6 bps
RWA (ISKbn)	1.049	1.044	-5,7
CET1 Target Ratio	17,2%	17,2%	0 bps
Distributable Capital (ISKbn)*	**31,0**	**30,9**	**-0,1**

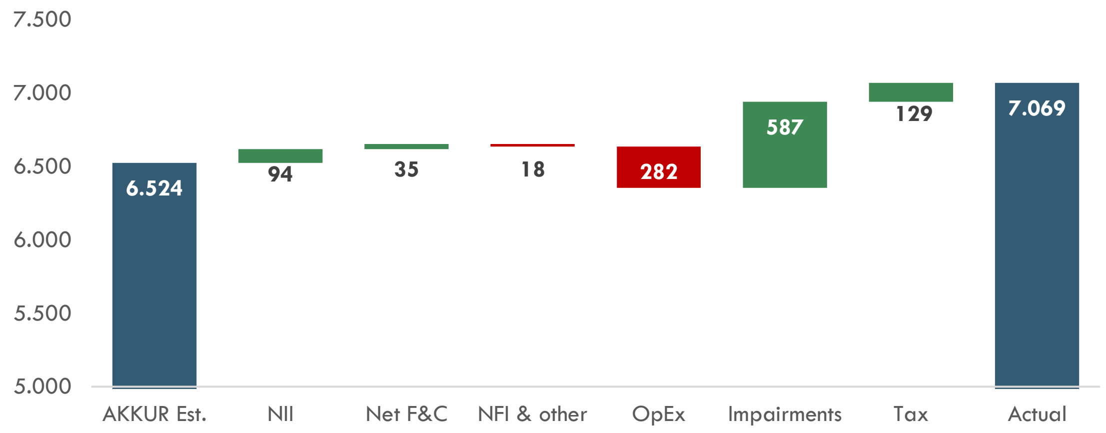
** Ratios exclude capital set aside for dividends/buybacks and distributable capital includes capital already set aside*

Estimates Changes Post Earnings – Preliminary

Key Figures ISKm	AKKUR FY 26E Prior	AKKUR FY 26E New	Variance ISKm	Variance %
Net Interest Income (1)	59.727	60.767	+1.040	+1,7%
NIM	*3,37%*	*3,45%*		*+7 bps*
Net F&C Income (2)	13.441	13.414	-28	-0,2%
Net Financial Income	495	576	+81	+16,4%
Total Operating Income	**74.431**	**75.227**	**+796**	**+1,1%**
Operating Expenses (3)	-29.608	-29.948	-340	+1,1%
Net Impairments	-4.368	-3.761	+607	-13,9%
Profit Before Tax	**38.256**	**39.327**	**+1.071**	**+2,8%**
Net Income	**28.119**	**29.152**	**+1.033**	**+3,7%**
Core PBT (1+2+3)	**43.561**	**44.233**	**+673**	**+1,5%**
*ROE**	*12,9%*	*13,4%*		*+49 bps*
P/E	8,6x	8,3x		

** AKKUR calculations*

Net Income Variance – AKKUR Estimates to Actual (ISKm)



To Watch on the Call

1. **Stage 3 provisioning** — LGD and collateral haircuts on the migrated construction book
2. **CPI imbalance intent** — ISKbn 231: target range or transitory peak
3. **REA density decline** — REA density dropping: mix or methodology?
4. **Capital path to ~200bp** — ~ISKbn 19 implied H2 distribution; buyback vs. special
5. **Fee reset** — Cards/payments margin cost of loyalty services (50k members); IB normalization on +180% QoQ volumes

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