ISB – Íslandsbanki 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
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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 181	24/11/2025	ISK 145	+25%

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 3,4%, up 10bps YoY but down 50bps QoQ.
- Organizational changes effective April: ISKm 260 termination cost expensed in Q2; ~ISKbn 1 annual personnel-expense reduction phases in from Q3, fully realized 2027.
- Impairments similar QoQ but significant change YoY.

AKKUR Estimates – Q2 2026E

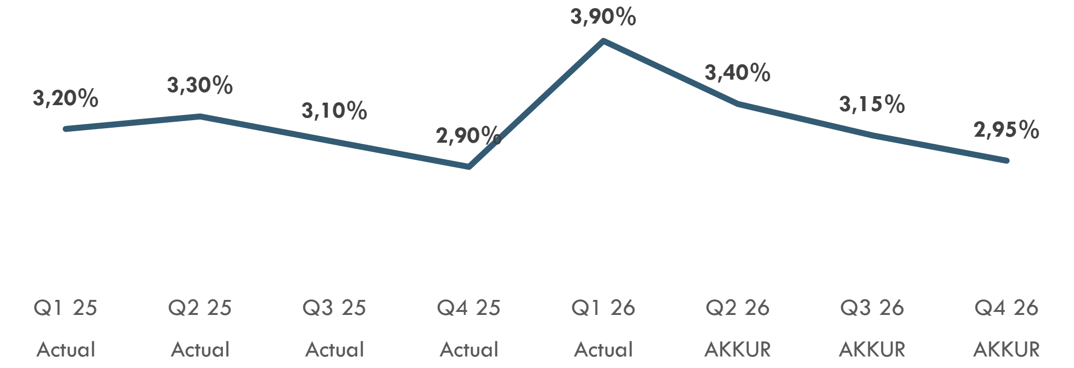
Key Figures ISKm	Actual Q2 25	AKKUR Q2 26E	YoY %	Consensus Q2 26E	Actual FY 25	AKKUR FY 26E	YoY %
Net Interest Income (1)	13.881	15.187	+9,4%	15.416	52.471	59.727	+13,8%
NIM	*3,30%*	*3,40%*	*+10 bps*	*3,40%*	*2,90%*	*3,37%*	*+47 bps*
Net F&C Income (2)	3.620	3.223	-11,0%	3.389	14.099	13.441	-4,7%
Net Financial Income	84	92	+9,3%	150	-495	495	n.m.
Total Operating Income	**17.728**	**18.602**	**+4,9%**	**19.080**	**67.240**	**74.431**	**+10,7%**
Operating Expenses (3)	-7.261	-7.778	+7,1%	-7.713	-29.480	-29.608	+0,4%
Net Impairments	402	-1.041	n.m.	-800	-681	-4.368	+541,3%
Profit Before Tax	**10.356**	**9.235**	**-10,8%**	**10.019**	**34.995**	**38.256**	**+9,3%**
Net Income	**7.201**	**6.524**	**-9,4%**	**7.213**	**25.249**	**28.110**	**+11,3%**
Core PBT (1+2+3+4)	**10.240**	**10.632**	**+3,8%**	**9.421**	**37.090**	**43.561**	**+17,4%**
ROE	*13,0%*	*12,3%*	*-71 bps*	*13,6%*	*11,2%*	*12,9%*	*+173 bps*

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

Five Things to Watch

1. **NIM trajectory** — 3,40%E vs. 3,30% 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** — Trajectory toward +13% target
4. **CET1 ratio and excess capital** — vs. 17.5% target; distribution capacity
5. **AuM growth at Iceland Funds** — Q2 performance was rough on equity funds

NIM Trend



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