KVIKA – Kvika banki hf.

Q2 2026 Result Note – Mixed-Negative

Analyst: Alexander Jensen Hjálmarsson
Price data as of market close 12/08/2026
Report completed 12/08/2026 at 21:30 GMT
First disseminated 12/08/2026 at 22:00 GMT

WWW.AKKUR.NET

Note date	Assessment	Rating	Target price	Target price date	Last close	Difference
12/08/2026	Mixed-Negative	BUY	ISK 20,75*	24/11/2025	ISK 13,50	+54%

Bottom Line

NII of ISKm 3.013 missed AKKUR by 6,8% and NIM fell to 4,0% from 4,5%, but every controllable line landed at or ahead of estimate: opex of ISKm 2.947 beat by 7,7% despite an ISKm 112 one-off, fees were in line, and underlying PBT of ISKm 1.482 was 0,1% off estimate. Reported PBT beat by 6,3%; net income of ISKm 903 missed by 13,3%, entirely on tax (41,6% all-in vs 28,9%). The NII miss traces to a mix of the June dividend, AT1 and EUR senior cash drag and a lower CPI tick. **Thesis intact; FY 2026 estimates cut (NII -5,4%, PBT -4,0%, net income -7,4%) with lower opex only partly offsetting. Rating and target price unchanged pending a full valuation update prompted by the year's corporate actions, not the quarter.**

Q2 2026 Results — Actual vs. AKKUR Estimate

Key Figures ISKm	Actual Q2 26	AKKUR Q2 26E	Variance ISKm	Variance %	Actual Q2 25	YoY %
Net Interest Income (1)	3.013	3.234	-221	-6,8%	2.962	+1,7%
*NIM**	*4,0%*	*4,3%*		*-31 bps*	*4,1%*	*-4 bps*
Net F&C Income (2)	1.416	1.439	-23	-1,6%	1.936	-26,9%
Net Financial Income	236	68	+168	+248,2%	188	+25,5%
Total Operating Income	**4.756**	**4.816**	**-60**	**-1,2%**	**5.130**	**-7,3%**
Operating Expenses (3)	-2.947	-3.193	+246	-7,7%	-2.982	-1,2%
Net Impairments	-269	-177	-92	+51,6%	-122	+120,5%
Profit Before Tax**	**1.440**	**1.354**	**+86**	**+6,3%**	**1.934**	**-25,5%**
Net Income	**903**	**1.041**	**-138**	**-13,3%**	**1.440**	**-37,3%**
Core PBT (1+2+3)**	**1.482**	**1.480**	**+2**	**+0,1%**	**1.916**	**-22,7%**
ROTE	*8,8%*	*10,4%*		*-159 bps*	*13,1%*	*-434 bps*

AKKUR is the only publicly distributed estimate for Kvika. Private forecasts may exist.
** AKKUR calculation and does not reconcile fully with Kvika's reported margin.*
*** PBT includes bank levy expense*

Valuation Read

Directional implication: in line where controllable, short where structural. FY 2026 NII is cut 5,4% to ISKm 12.613 and an ISKm 363 opex reduction offsets under half of it - PBT -4,0% to ISKm 6.592, core PBT -5,3% and ROTE down 149bp to 11,2%. A funding-and-CPI reset rather than a franchise reset: fees are trimmed only 0,4% and the recurring fee base held in Q2.

Review: a full valuation update follows shortly, prompted not by the quarter but by the year's corporate actions such as ISK 11,7bn of distributions, AT1 issuance and proposed sale of Straumur.

Positives

- Opex ISKm 2.947, -7,7% vs AKKUR, incl. an ISKm 112 one-off; FTEs 232 vs 249
- Deposits +ISK 12bn QoQ through ISK 200bn; loans +3%; L/D down to 111,0%
- EUR 150m senior at MS+165bp, 85bp inside May 2025; covered-bond license
- ISK 13,7bn returned in 2026 = 23,8% of market cap; CAR 530bp above req.

Negatives

- NII ISKm 3.013, -6,8% vs AKKUR; NIM 4,0% vs 4,3% estimate
- Net income -13,3%: all-in tax 41,6% of PBT vs 28,9% YoY (ISKm 197 fin.-activity)
- Impairments ISKm 269 vs 177e; CoR ~0,49%; Stage 2 up to 5,6% from 4,9%
- CEO departs at year-end, no successor; capital markets fees -59,6% YoY

* Target price is adjusted for a special dividend of ISK 2,35 per share paid in June 2026.
All data from company annual/interim reports, Kodiak Excel and AKKUR estimates unless otherwise stated.

KVIKA – Kvika banki hf.

Q2 2026 Result Note – Mixed-Negative

Analyst: Alexander Jensen Hjálmarsson
Price data as of market close 12/08/2026
Report completed 12/08/2026 at 21:30 GMT
First disseminated 12/08/2026 at 22:00 GMT

WWW.AKKUR.NET

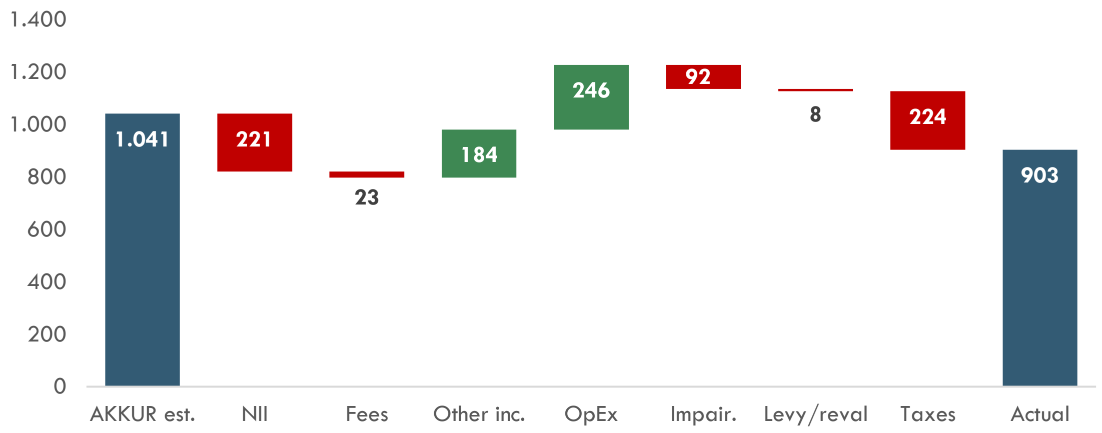
Note date	Assessment	Rating	Target price	Target price date	Last close	Difference
12/08/2026	Mixed-Negative	BUY	ISK 20,75*	24/11/2025	ISK 13,50	+54%

Capital Position – Q2 2026 vs. Q1

Metric	Q1 26	Q2 26	Change
CET1 Ratio*	24,0%	18,5%	-545 bps
Total Capital Ratio*	26,9%	23,3%	-358 bps
RWA (ISKbn)	193	202	+9,0
CAR Target Ratio	20,9%	20,7%	-20 bps
Distributable Capital (ISKbn)*	**11,5**	**5,3**	**-6,3**

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

Net Income Variance – AKKUR Estimates to Actual (ISKm)



Estimates Changes Post Earnings – Preliminary

Key Figures ISKm	AKKUR FY 2026E Prior	AKKUR FY 2026E New	Variance ISKm	Variance %
Net Interest Income (1)	13.328	12.613	-715	-5,4%
*NIM**	*4,4%*	*4,2%*		*-22 bps*
Net F&C Income (2)	5.848	5.822	-26	-0,4%
Net Financial Income	487	671	+184	+37,7%
Total Operating Income	**19.939**	**19.397**	**-542**	**-2,7%**
Operating Expenses (3)	-12.087	-11.724	+363	-3,0%
Net Impairments	-644	-729	-85	+13,2%
Profit Before Tax	**6.867**	**6.591**	**-276**	**-4,0%**
Net Income	**5.282**	**4.889**	**-392**	**-7,4%**
Core PBT (1+2+3)	**7.089**	**6.711**	**-378**	**-5,3%**
ROTE	*12,6%*	*11,2%*		*-149 bps*
*P/E ***	*10,9x*	*11,8x*		

AKKUR is the only publicly distributed estimate for Kvika. Private forecasts may exist.
** AKKUR calculation and does not reconcile fully with Kvika's reported margin.*
*** P/E is adjusted for deferred tax assets*

To Watch on the Call

1.	**NIM path**	Split the 50bp QoQ fall: CPI tick vs dividend vs AT1/EUR cash drag; Q4 exit NIM
2.	**Straumur exit**	Proceeds against book, capital released, and effect on NF&C
3.	**Cost of risk**	Underlying CoR ex the ISKm 103 review and the UK stage 3; Stage 2 migration to 5,6%
4.	**UK realizations**	Timing and size of the PE exit and the stage 3 recovery
5.	**Capital & succession**	Use of the 530bp buffer: growth vs distribution; CEO search timetable

* Target price is adjusted for a special dividend of ISK 2,35 per share paid in June 2026.
All data from company annual/interim reports, Kodiak Excel and AKKUR estimates unless otherwise stated.