KVIKA

Kvika Capital Markets Day

November 2024

Capital Markets Day 2024

Agenda

Financials Q3 2024	Eiríkur Jensson, CFO
Economic Outlook	Hafsteinn Hauksson, Chief Economist
Kvika – Growth, Profitability and Financial Strength	
• Historical Perspective – Creation of a Challenger	Ármann Þorvaldsson, CEO
• Infrastructure and Optimisation	Anna Rut Ágústsdóttir, COO
• At a Crossroads – Transitioning Kvika post TM	Ármann Þorvaldsson, CEO
• Competitive Edge through Focus on Customers	Halldór Snæland, Managing Director of Commercial Banking
• Turnaround Achieved, Setting the Stage for Sustained Growth	Richard Beenstock CEO of KSL and Jon Salisbury CEO of Ortus
• Summary	Ármann Þorvaldsson, CEO
Q&A	

Q3 2024: A Return to Target Profitability

Q3 Highlights

Strong results characterized by all business units performing at or above budget and operating expenses at a +2-year low

Auður launches savings deposit accounts for corporates

Government hires Kvika, Citi and Barclays as global co-ordinators for the sale of Islandsbanki shares

Icelandic FSA approves Landsbanki's acquisition of TM, approval from the Competition Authority awaited

Profit before tax, continuing operations	ISK 1,813 m.
Profit after tax including TM	ISK 2,363 m.
Pre-tax RoTE, continuing operations	22.4%
CAR	23.5%

Financials

Q3 2024

Eiríkur Jensson
CFO

Income Statement

Q3 2024

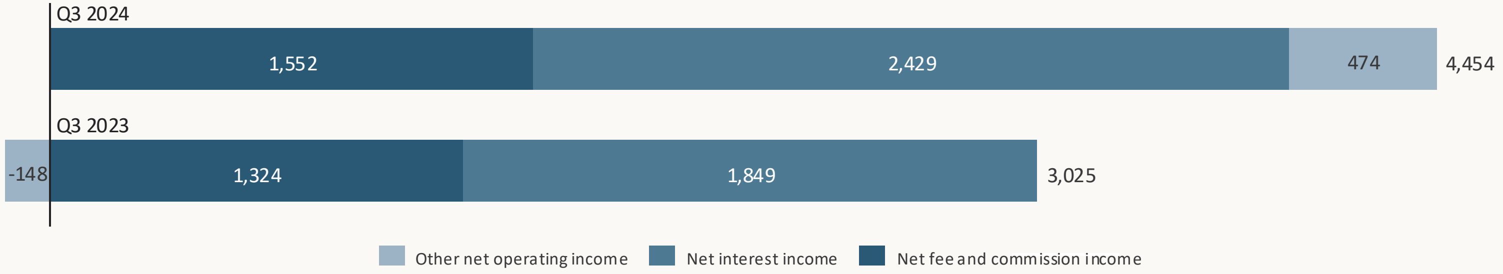
Income Statement

ISK m.

	Q3 2024	Q3 2023	*Diff.*	Q2 2024	*Diff.*
Net interest income	2,429	1,849	*580*	2,428	*1*
Net fees and commissions	1,552	1,324	*228*	1,351	*201*
Other net operating income	474	(148)	*622*	217	*257*
Net operating income	**4,454**	**3,025**	*1,430*	**3,996**	*458*
Administrative expenses	(2,344)	(2,633)	*288*	(2,734)	*390*
Net impairment	(261)	(161)	*(100)*	(65)	*(196)*
Revaluation	(36)	3	*(39)*	(8)	*(28)*
Pre-tax profit	**1,813**	**234**	*1,579*	**1,189**	*624*
Income tax	(288)	(216)	*(72)*	(282)	*(5)*
Special bank taxes	(127)	(105)	*(22)*	(131)	*4*
After-tax profit	**1,398**	**(87)**	*1,486*	**777**	*621*
Profit after tax from discontinued operations	965	631	*334*	480	*485*
Profit for the period	**2,363**	**544**	*1,819*	**1,256**	*1,107*

Revenue Composition

ISK m.



- Net operating income: Increased by 47% year-over-year (YoY), reflecting substantial gains across all income lines
- Net interest income: Robust 31% YoY, driven by a larger balance sheet and improved net interest margin while Q3 and Q2 2024 on same level as loans to customers are relatively unchanged and inflation in Q3 is weak
- Net fee and commission income: Up 17% compared to Q3 2023, where income increases across all business segments
- Other net operating income: ISK 474 m., reversal of ISK 622m compared to Q3 2023 with strong rebound in Net financial income
- Administrative expenses: Down 11% YoY, despite a 6% inflation rate during the same period
- The number of employees is down 10% compared to Q3 2023, reflecting efficient cost management

Comparative information has been restated. Reference is made to note 3 in Kvika's Condensed Interim Consolidated Financial Statements dated 30.09.2024 for further information.

Income Statement

9M 2024

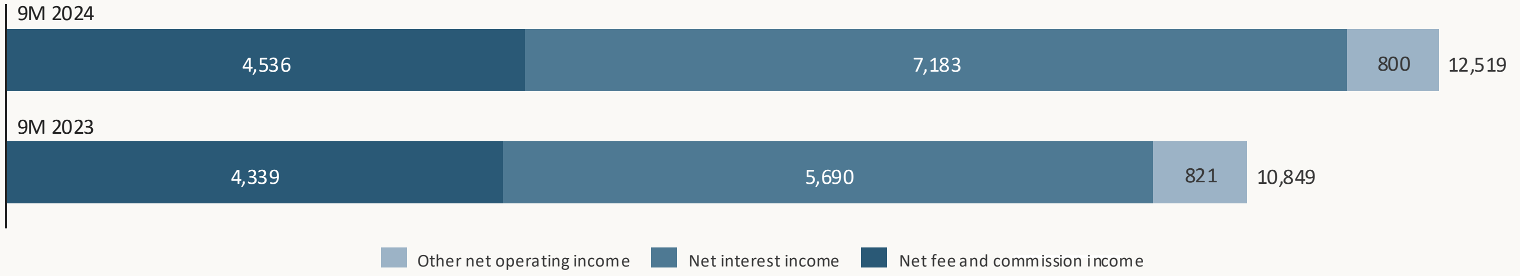
Income statement

ISK m.

	9M 2024	9M 2023	Diff.
Net interest income	7,183	5,690	*1,493*
Net fees and commissions	4,536	4,339	*197*
Other net operating income	800	821	*(21)*
Net operating income	**12,519**	**10,849**	*1,670*
Administrative expenses	(7,744)	(8,006)	*262*
Net impairment	(514)	(201)	*(313)*
Revaluation	(44)	3	*(47)*
Pre-tax profit	**4,217**	**2,646**	*1,571*
Income tax	(721)	(654)	*(67)*
Special bank taxes	(333)	(276)	*(57)*
After-tax profit	**3,162**	**1,715**	*1,447*
Profit after tax from discontinued operations	1,541	741	*801*
Profit for the period	**4,703**	**2,456**	*2,247*

Revenue composition

ISK m.



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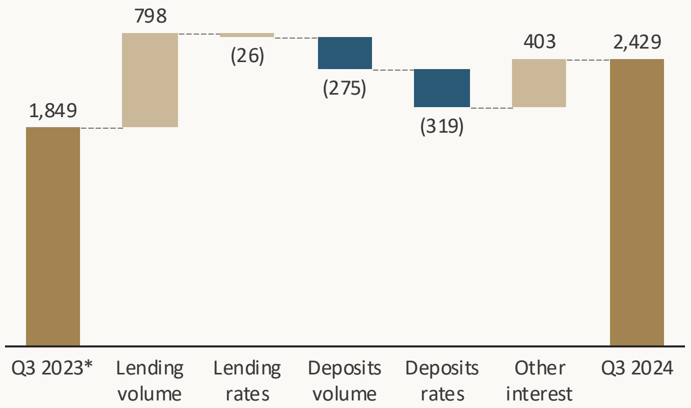
- Profit before tax from continuing operations: ISK 4,217 million, a 59% year-over-year (YoY) increase. This growth is driven by a 26% rise in net interest income, a 5% increase in fee and commission income, and a 3% reduction in administrative expenses
- Profit after tax: ISK 4,703 million, including TM Insurance, which is classified as discontinued operations. This represents a 91% YoY increase
- Net interest income: Robust 26% YoY growth driven by a larger balance sheet and improved net interest margin
- Net fee and commission income: Up 5% compared to Q2 2023
- Other net operating income: ISK 800 million, marking a 3% YoY decrease
- Administrative expenses: Down 3% YoY, despite a 6% inflation rate over the same period
- Net impairment: ISK 514 million up 156% YoY
- Employee count: Decreased by 13% YoY, based on the average number of employees (excluding TM Insurance)

Net Interest Income

Robust 26% growth year on year

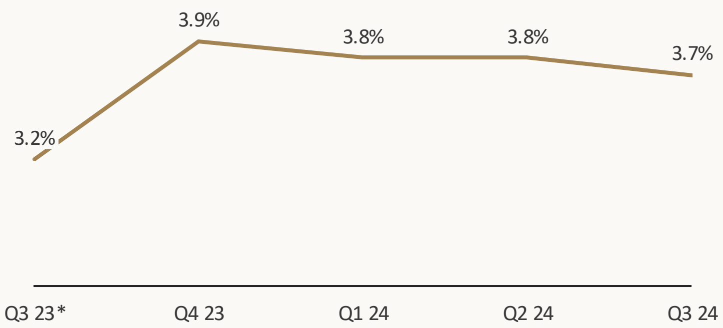
Net interest income

Q3 2023 to Q3 2024 / ISK m.



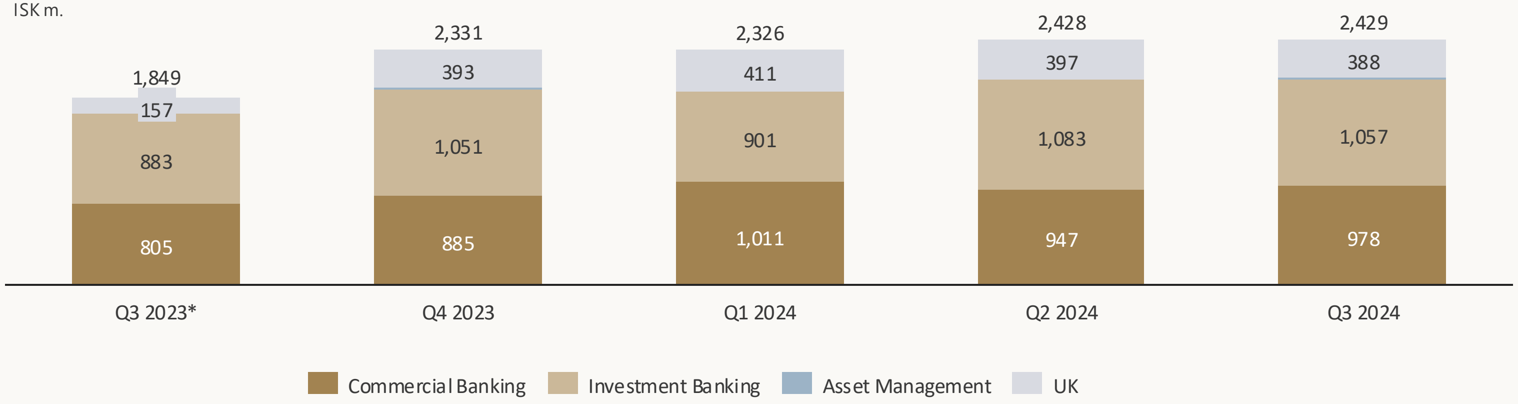
Net interest margin development

ISK m.



Net interest income development (NII)

ISK m.



- Net interest income in Q3 2024 up 31% from Q3 2023 and up 26% from 9M 2023 to 9M 2024
- Increase in Net interest income driven by 18% YoY growth in lending to customers as well as more favorable central bank rate backdrop
- Net interest margin of 3.7% in Q3 2024, 0.1% lower than in Q2 2024. Balance sheet grew slightly between quarters while Net interest income remained unchanged. Net interest margin is calculated as net interest income to total average interest-bearing assets

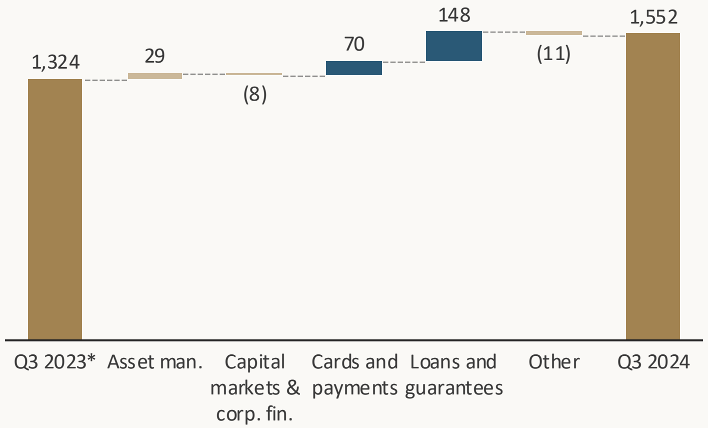
Comparative information has been restated. Reference is made to note 3 in Kvika's Condensed Interim Consolidated Financial Statements dated 30.09.2024 for further information.

Net Fee and Commission Income

Improvement in fee and commission income for all business units

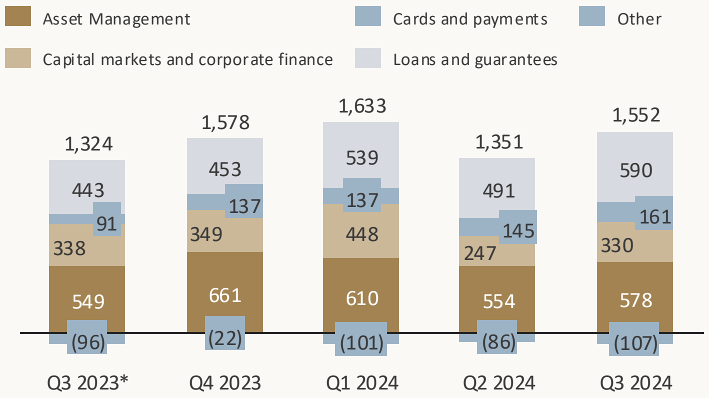
Net fee and commission income

Q3 2023 to Q3 2024 / ISK m.



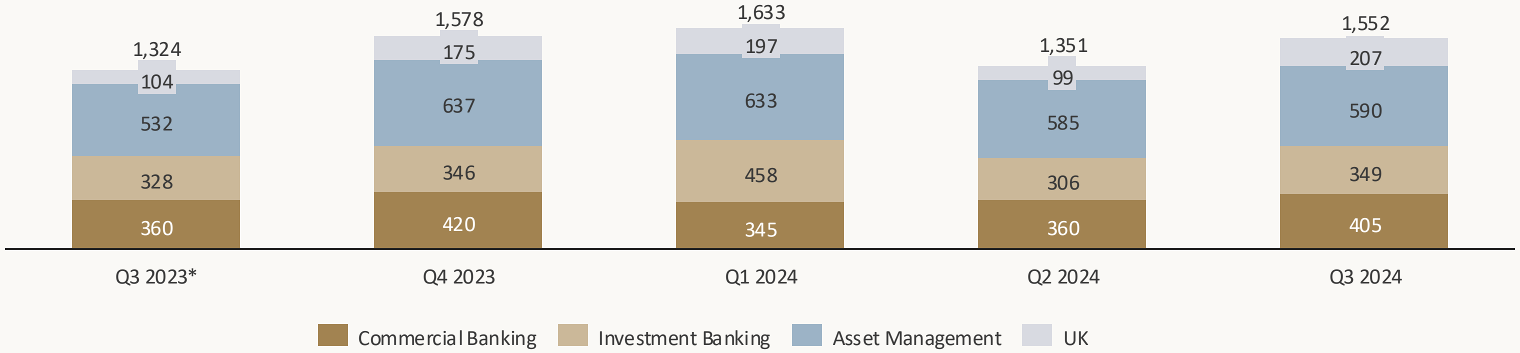
Net fee and commission income

ISK m.



Net fee and commission income development

ISK m.



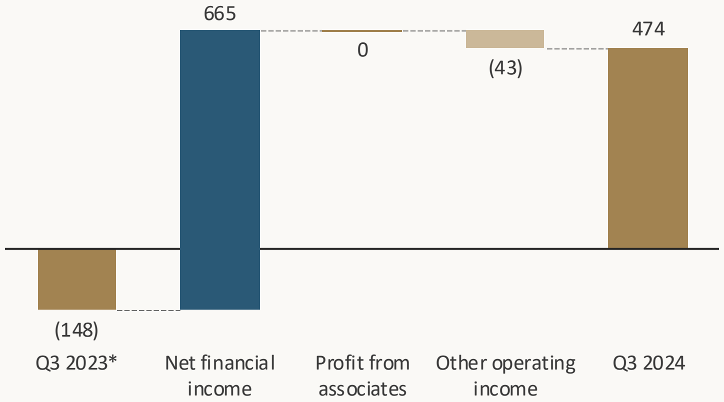
- Fee and commission income improves for all business units YoY
- Improvement in lending related fees driven by robust lending growth
- Strong fee and commission income in the UK
- Increase in cards and payment fees through the operations of Kvika's subsidiary Straumur that started operations in 2023

Comparative information has been restated. Reference is made to note 3 in Kvika's Condensed Interim Consolidated Financial Statements dated 30.09.2024 for further information.

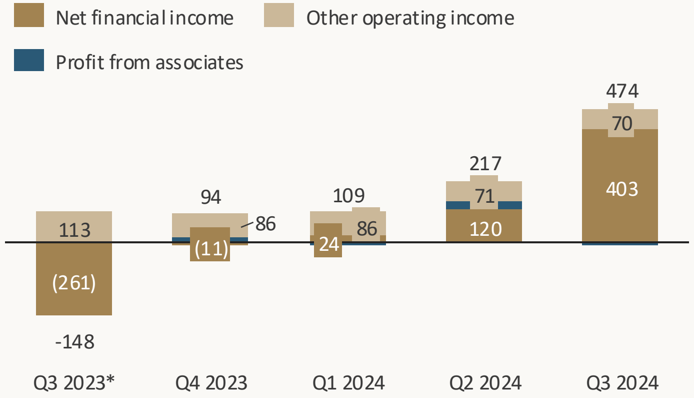
Other Net Operating Income

Rebound in net financial income

Other net operating income
Q3 2023 to Q3 2024 / ISK m.



Other net operating income
Composition / ISK m.



Net interest income development (NII)
ISK m.

Comparative information has been restated. Reference is made to note 3 in Kvika's Condensed Interim Consolidated Financial Statements dated 30.09.2024 for further information.

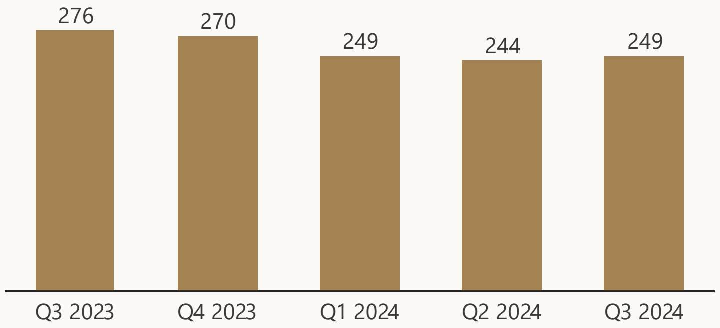
- Other net operating income improves YoY driven by robust financial income in the quarter
- Improving market conditions affect financial income from market making while UK and Investment banking benefit from a revaluation of unlisted equity holdings

Operating Expenses

Efficient cost management

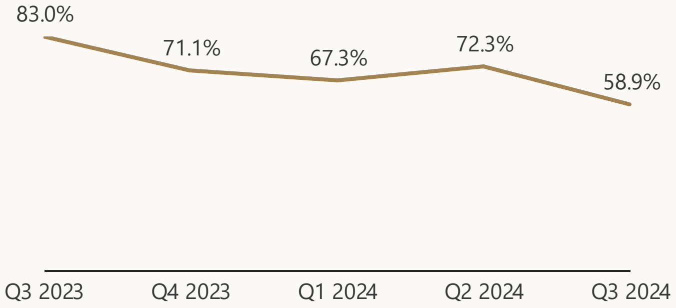
Employee development

Full time employees at the end of each period



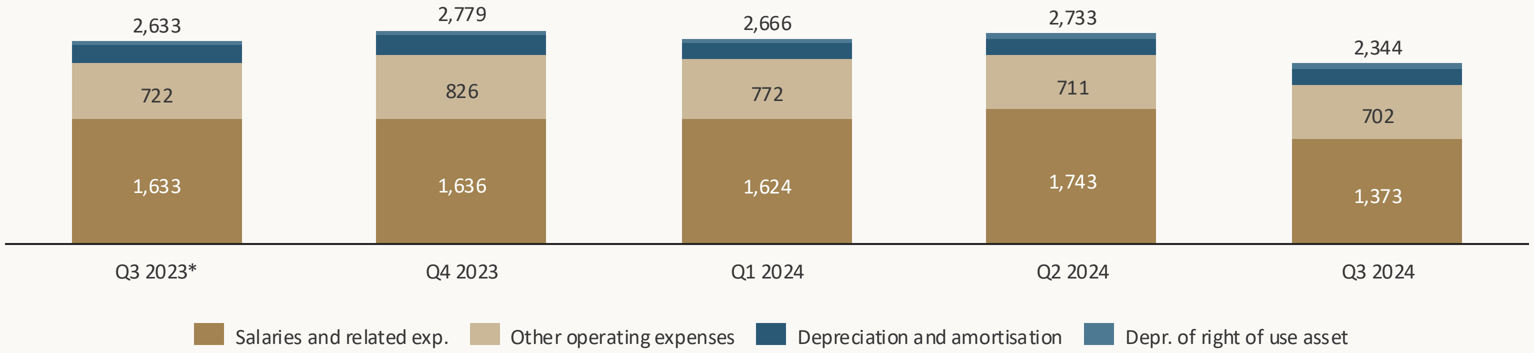
Cost to core income

ISK m. / restated comparative information



Administrative expenses

ISK m.



Comparative information has been restated. Reference is made to note 3 in Kvika's Condensed Interim Consolidated Financial Statements dated 30.09.2024 for further information.

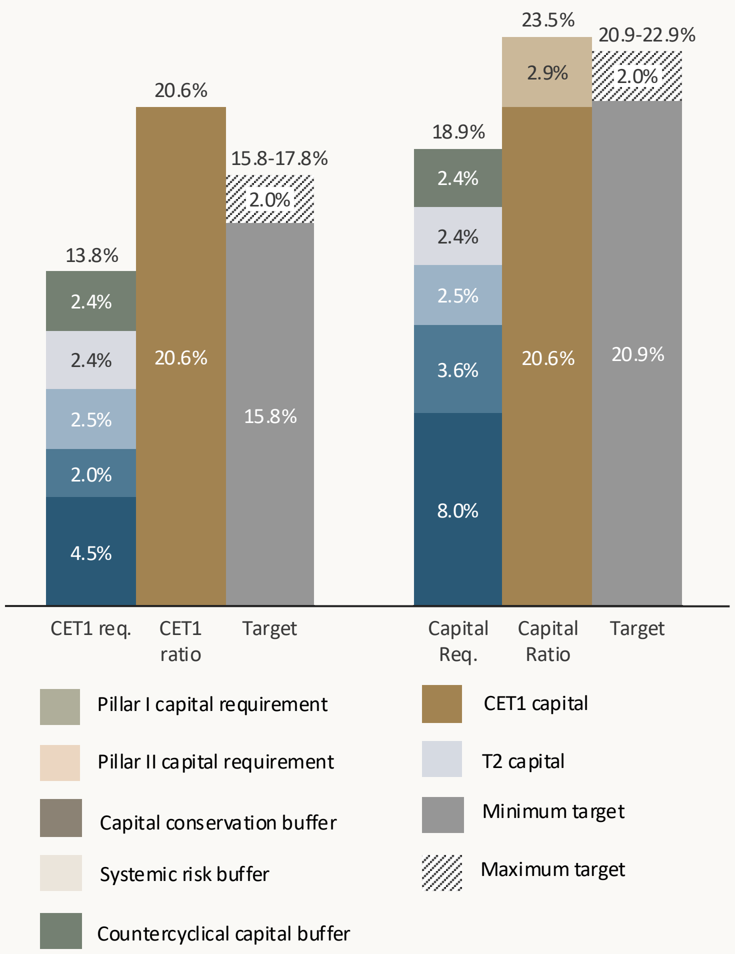
- Salaries and related expenses decrease by 11% from Q3 2023 and other operating expenses by 3% while average inflation amounted to 6% in the period
- Number of employees of Kvika bank lower by 10% compared to Q3 2023
- Continued focus on cost management

Capital Position

Strong capital position well above regulatory requirements

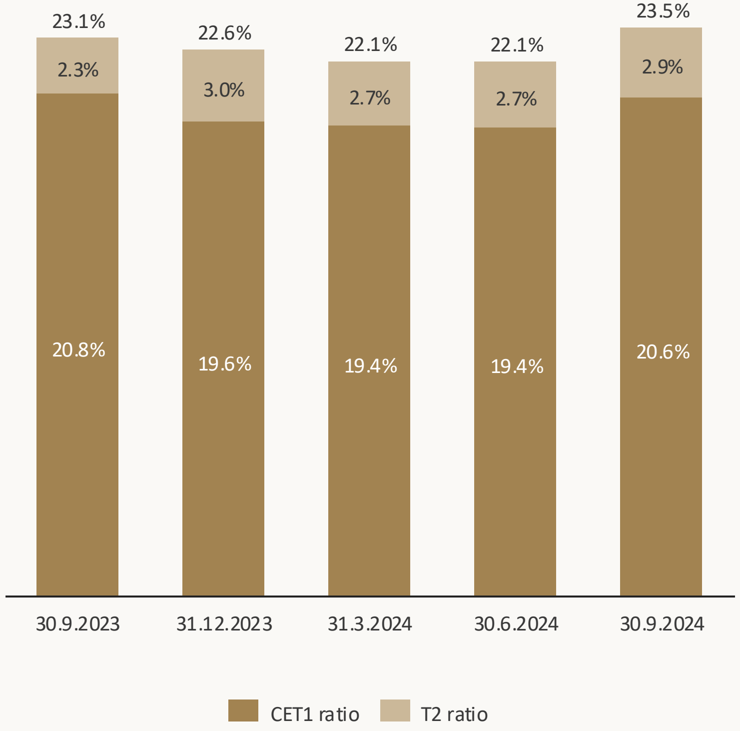
Capital position and requirements

30.9.2024 / (%)



Capital ratio

30.9.2024 / (%)



- CAR of 23.5% at the end of September 2024, above management target
  - CAR of 22.5% excluding unaudited retained earnings for Q3 2024
- Kvika aims to maintain a management buffer of 2% to 4% over current and anticipated CAR requirements
- On a financial conglomerate basis, Kvika has a group solvency of 1.28 at the end of September 2024
  - Solvency of 1.24 excluding unaudited retained earnings for Q3 2024
  - Insurance operations solvency of 1.56 at 30 September 2024
- Capital exceeds regulatory requirements by ISK 12.0 bn. on consolidated solvency basis for the group and ISK 8.3 bn. on CAR basis excluding insurance activities

Liquidity and Funding Ratios

Continued strong liquidity position

Liquidity coverage ratio (LCR)

30.9.2024 / ISK bn.

High quality liquid assets	88.9
Net outflow	11.4
Liquidity coverage ratio	**780%**
Minimum regulatory requirement	100%

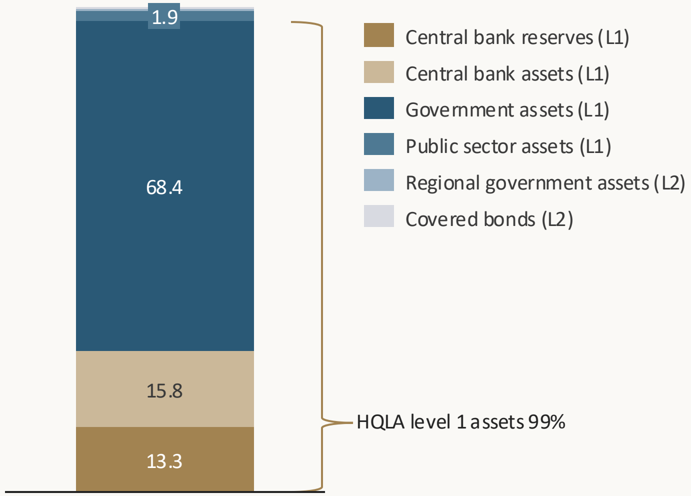
Net stable funding ratio (NSFR)

30.9.2024 / ISK bn.

Available stable funding	248.1
Required stable funding	167.5
Net stable funding ratio	**148%**
Minimum regulatory requirement	100%

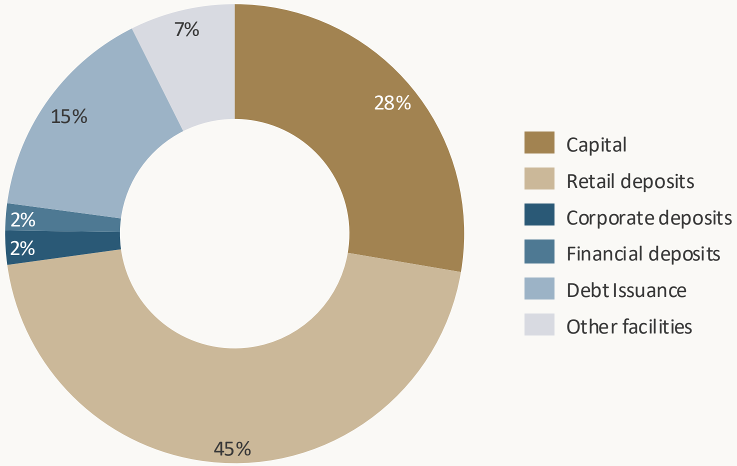
High quality liquid assets (HQLA)

30.9.2024 / (%)



Available stable funding

30.09.2024 / (%)

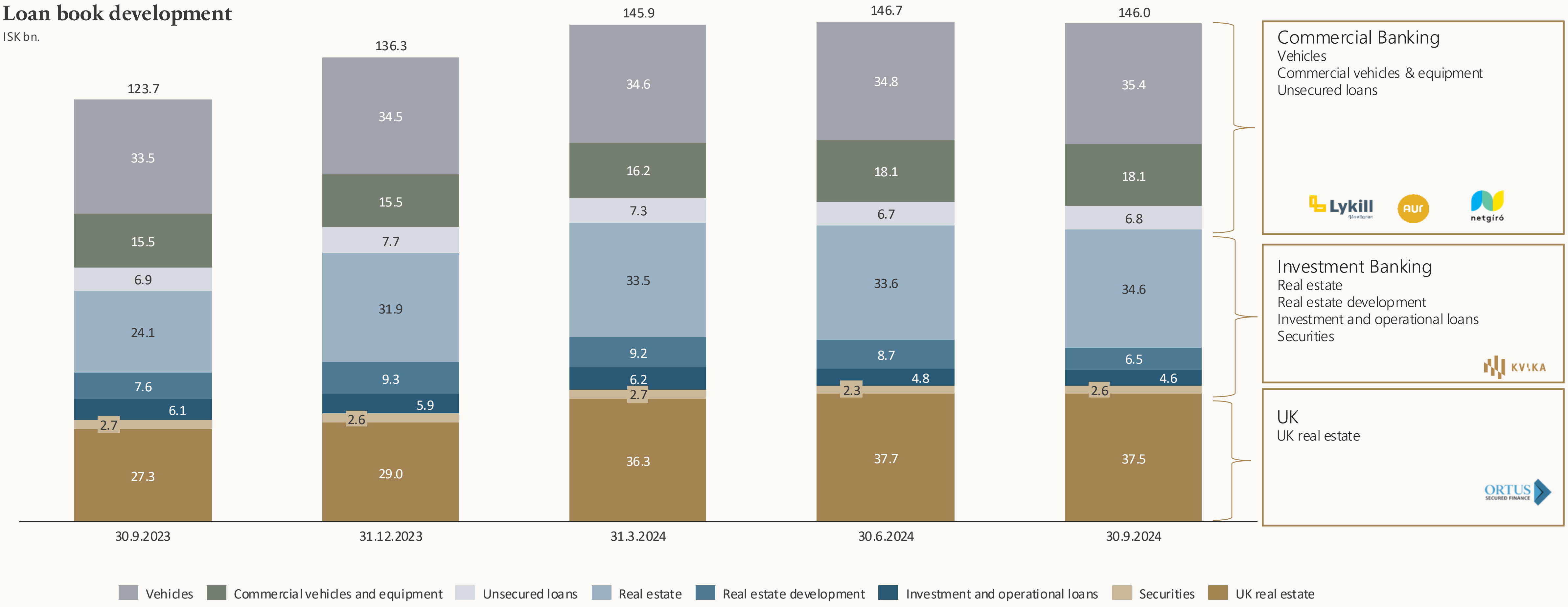


- High Quality Liquid Assets (HQLA) ISK 88.9 bn. excluding mandatory reserves and collateral to the Central Bank
- Liquidity coverage ratio is strong at 780%, where the regulatory minimum is 100%, an unusually strong position partially resulting from inflows due to proceeds from a bond issuance towards the end of Q2 2024 and increase in deposits
- Net stable funding ratio is strong at 148%, where the regulatory minimum is 100%
- When capital increases from sale of TM insurance the group is already fully funded to seek new opportunities and grow the balance sheet
- Asset and liability management is aimed at maintaining stable funding sources such as core retail deposits and long-term funding via debt issuance

L1: Level 1 assets , L2: Level 2 assets

Loans to Customers

Well diversified loan book

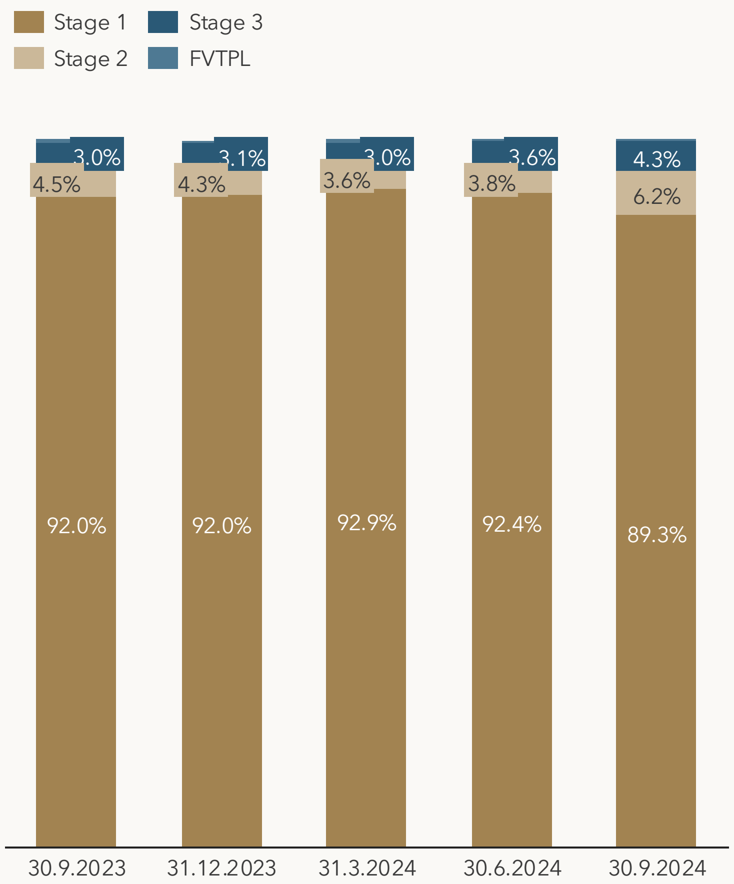


Credit Quality

Increase in stage 3 loans in Q3 is due to well secured loans

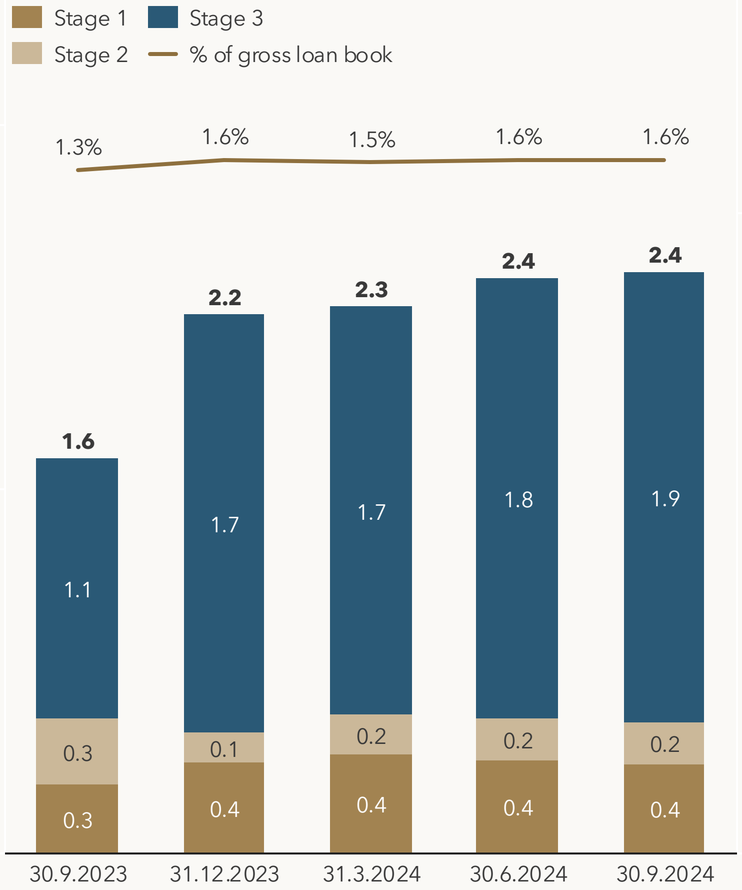
Loans to customers risk stage allocation

Net loan book / (%)



Impairment loss allowance

ISK bn.



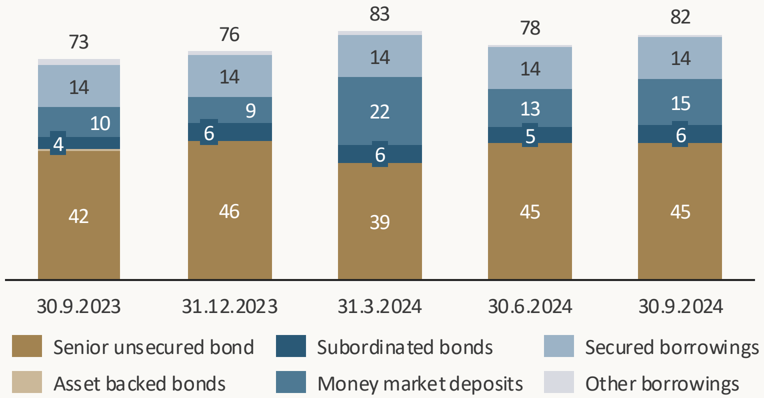
- Stage 3 loans increase from 3.6% to 4.3% between quarters. The increase is due to a few real estate backed loans in the UK and Iceland, and to a small degree due to consumer loans in Iceland
- Average LTV of stage 3 loans continues to be strong at 70.4%
- Increase in stage 2 loans from 3.8% to 6.2% is primarily due to forbearance measure of a single corporate loan in Iceland
- Loans that entered into Stage 3 in Q3 are well secured with real estate hence the increase in Stage 3 loans lead to a limited increase in impairment reservere between quarters

Diversified Funding Program

Solid investment grade rating by Moody's

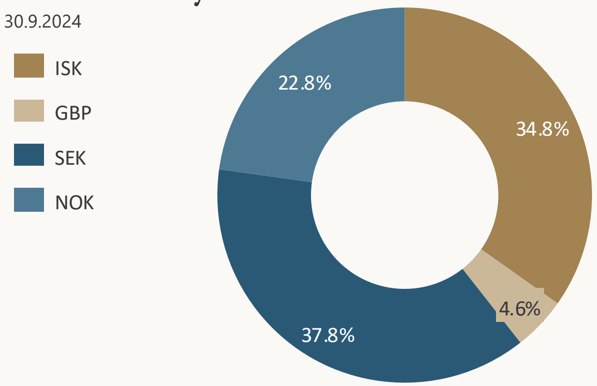
Development of market funding

30.9.2024 / ISK bn.



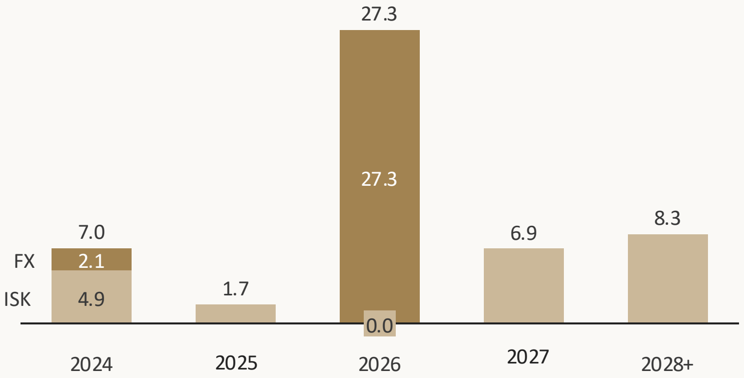
Issue currency

30.9.2024



Maturity of issuance

30.9.2024 / ISK bn.



Rating

Rating

	Bank deposit rating	Issuer rating
Long term	Baa1	Baa2
Short term	P-2	P-2
Outlook	Stable	Stable
Last update	4 July 2024	4 July 2024

- Kvika is an active issuer of bonds in the public bond markets in Iceland, Norway and Sweden from its EMTN programme and obtained a credit rating from Moody's Investors Service
- ISK 45.4 bn. of senior bonds outstanding on 30 September 2024 whereof 35% is issued in 2021
- In July 2024 Moody's confirmed Kvika's ratings which includes a long-term issuer rating of Baa2
- Kvika is committed on maintaining a solid investment grade credit rating
- Kvika will continue developing its funding profile in the future and may consider issuing bonds in other markets in the future than it is currently represented in

Financial Targets

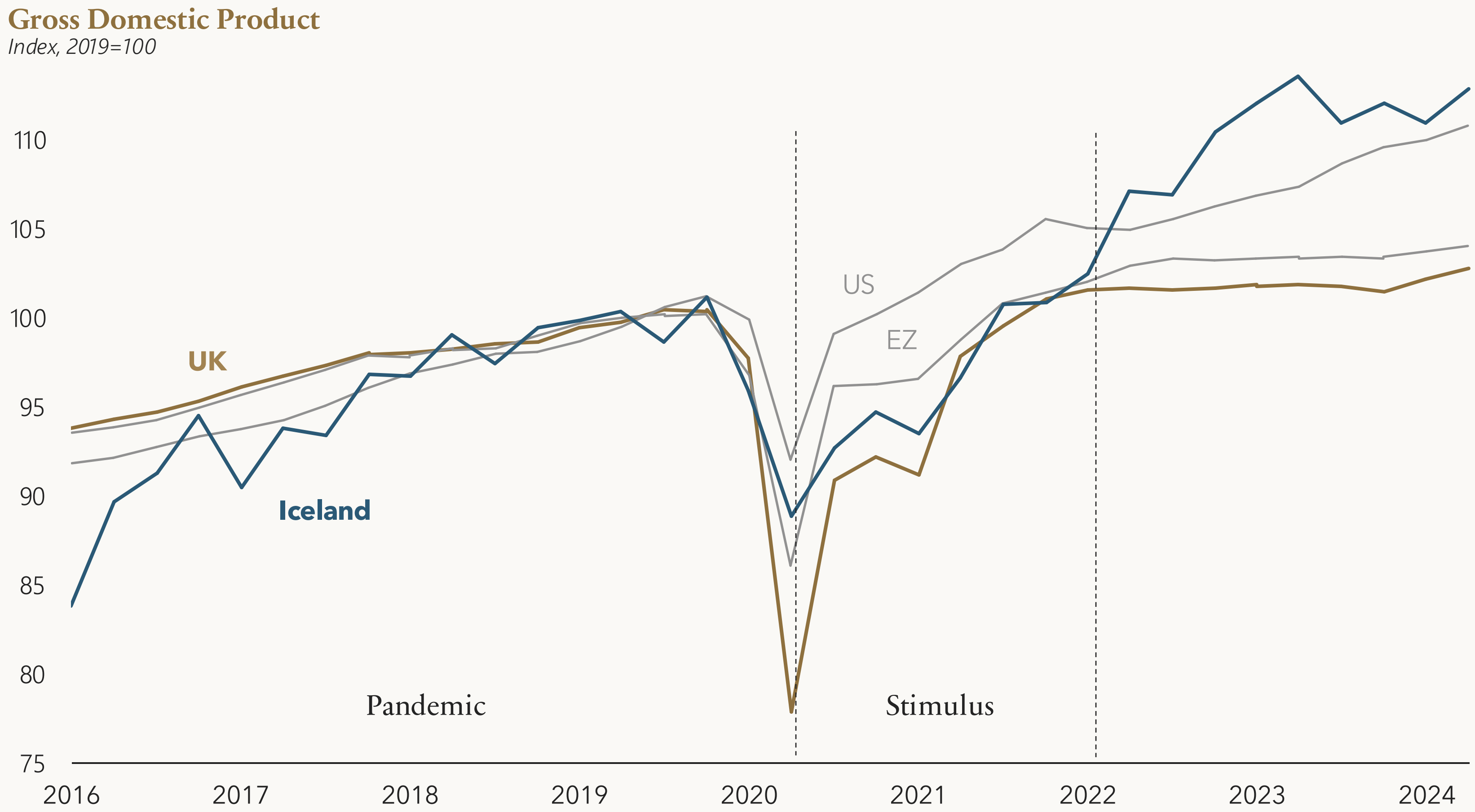
	Target	9M 2023	Q3 2024
Return on Tangible Equity Pre-tax	>20%	18.1%	22.4%
Capital Adequacy Ratio (CAR) Buffer Over Requirement (basis points)	200-400 bps.	460 bps.	460 bps.
Dividend Payout Ratio Dividends and Share Buybacks as % of Profit after Tax	25%	25%	25%

Macroeconomic Outlook in Key Markets

Hafsteinn Hauksson
Chief Economist

The Backdrop

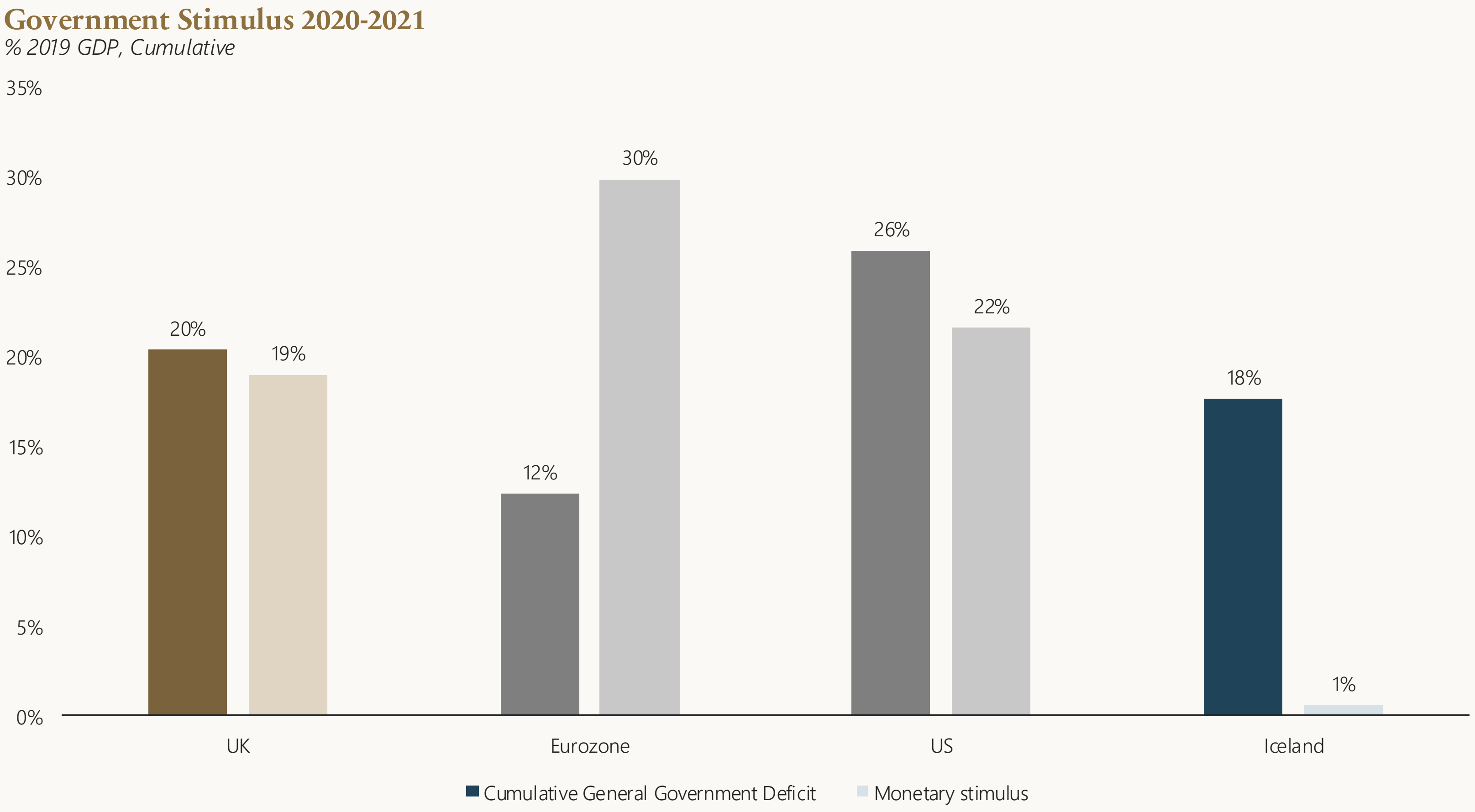
Global super-cycle driven by external shocks and unprecedented government stimulus



Source: FRED, StatIce.

Large Twin Fiscal and Monetary Stimulus Aided Recovery…

Government stimulus led to large demand impulse once Covid restrictions lifted



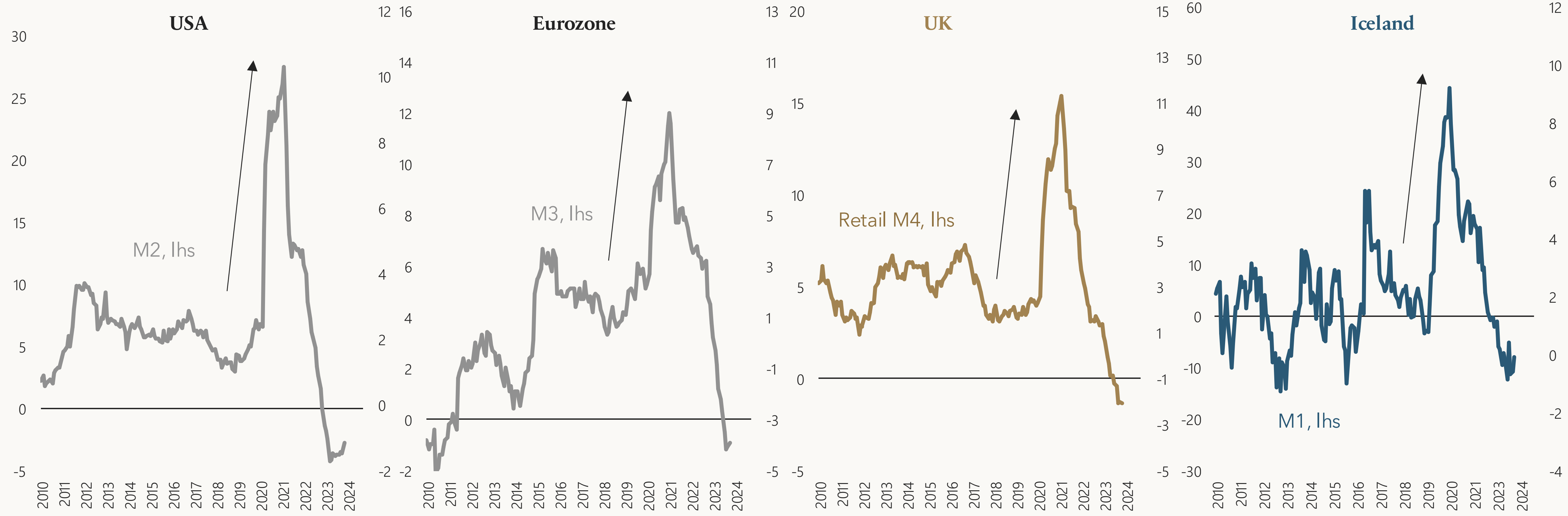
Source: IMF, FRED, BoE, Eurostat, Statice, CBI. Monetary Stimulus defined as total increase in Central Bank balance sheets, which may have resulted from Quantitative Easing, repo lending, targeted lending programmes etc., or the size of Quantitative Easing programme in the case of Iceland.

…But Resulted in Inflation Once Economies Reached Capacity

Demand outstripped supply in the wake of the pandemic, causing inflation surge

Money Supply Growth vs. Inflation

% change YoY, money growth

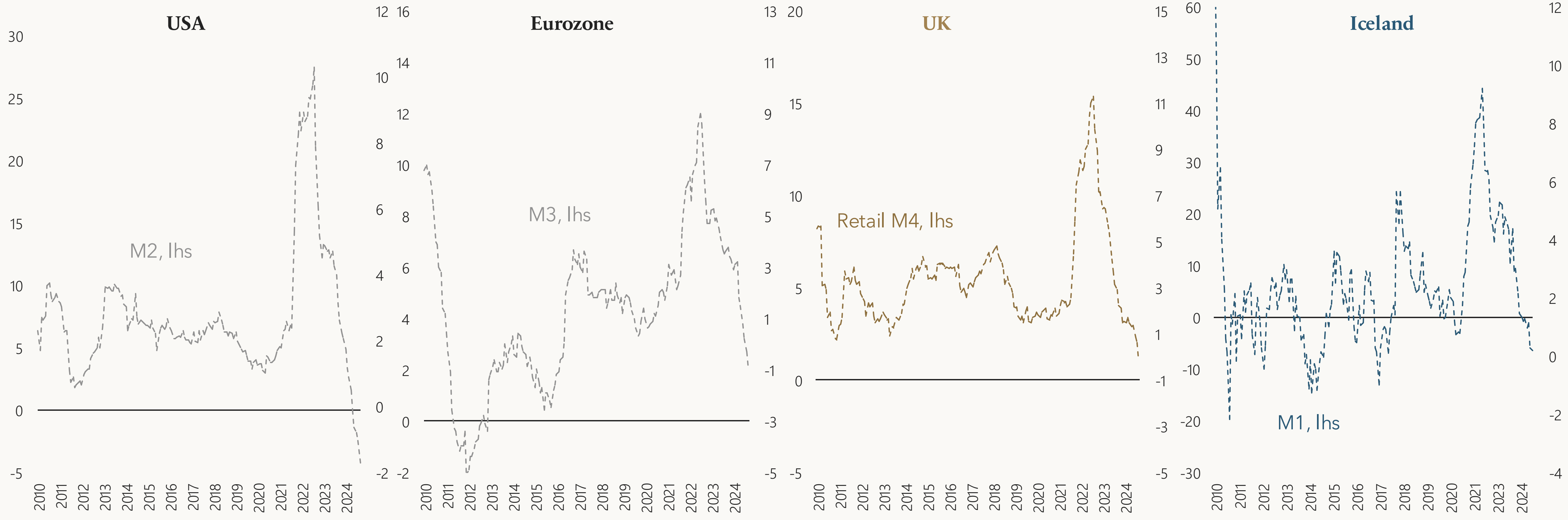


Source: FRED, StatIce.

…But Resulted in Inflation Once Economies Reached Capacity

Demand outstripped supply in the wake of the pandemic, causing inflation surge

Money Supply Growth vs. Inflation
% change YoY, money growth lagged 18mos



Source: FRED, StatIce.

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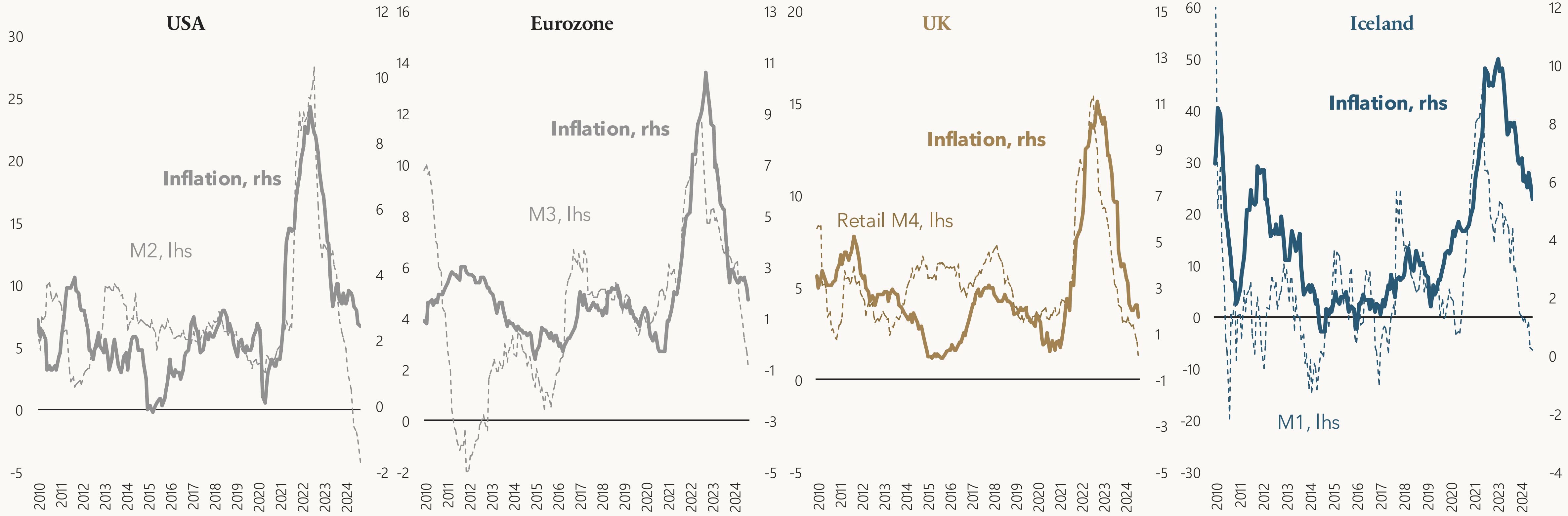
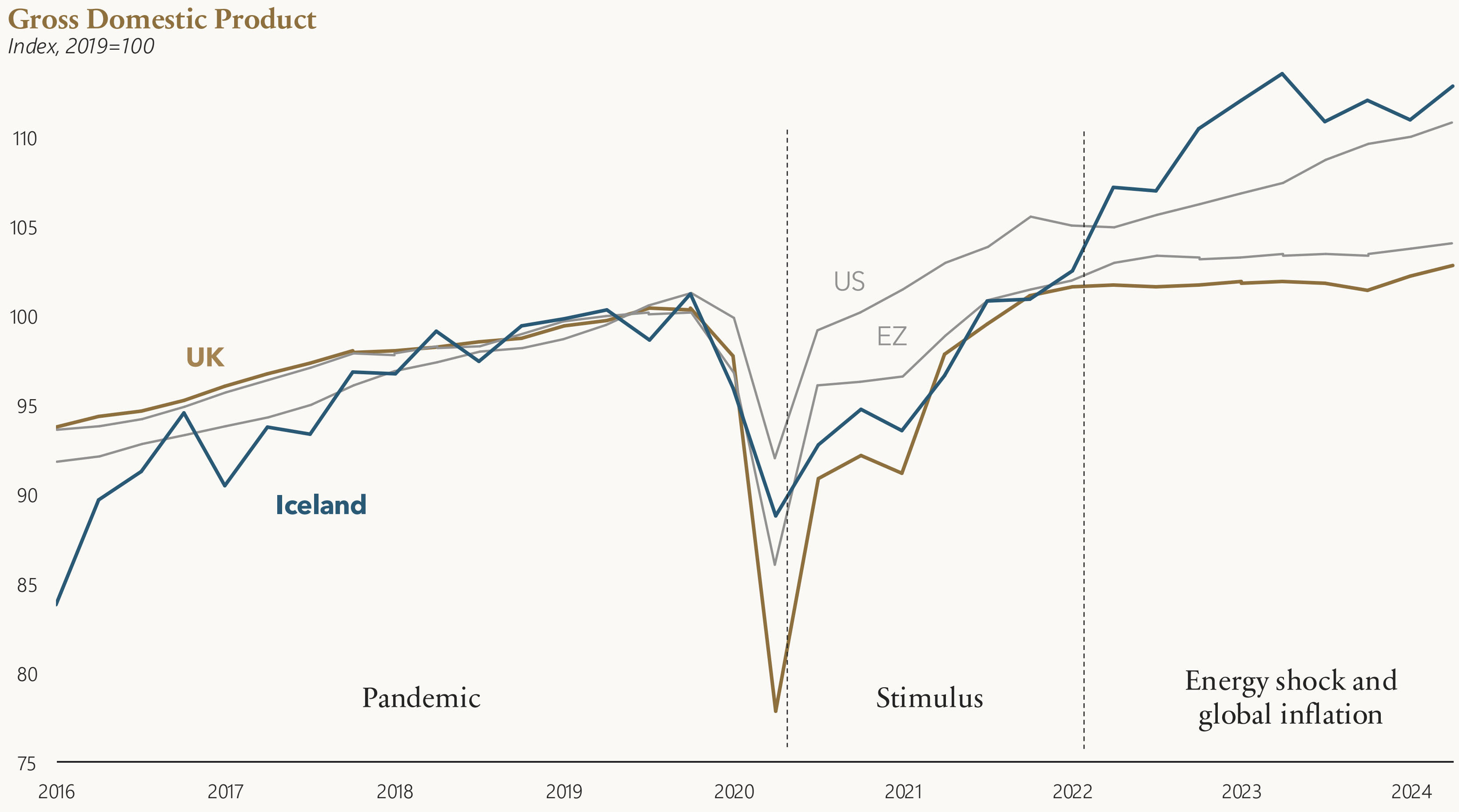


Source: FRED, StatIce.

The Backdrop

Global super-cycle driven by external shocks and unprecedented government stimulus



Source: FRED, StatIce.

The Backdrop

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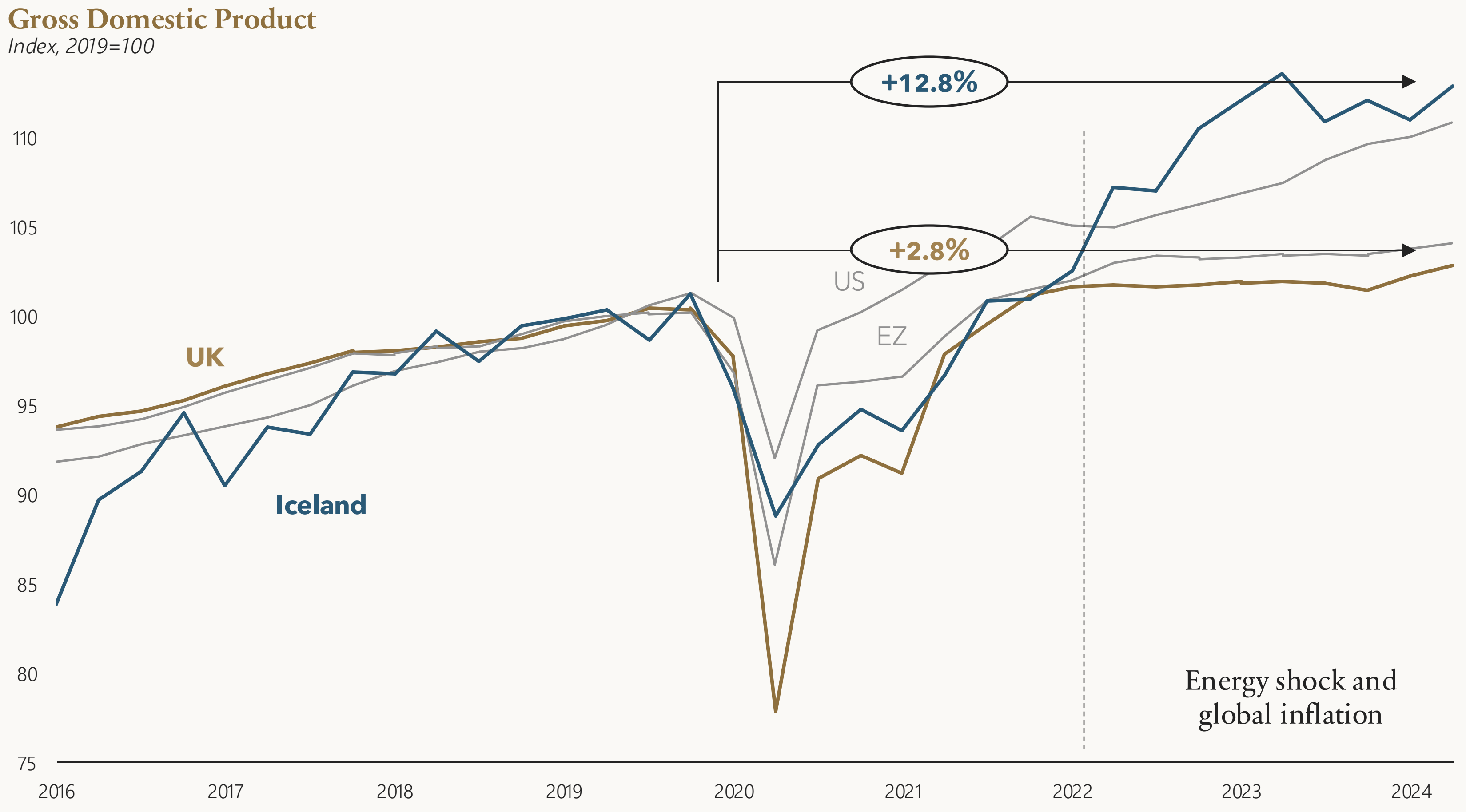
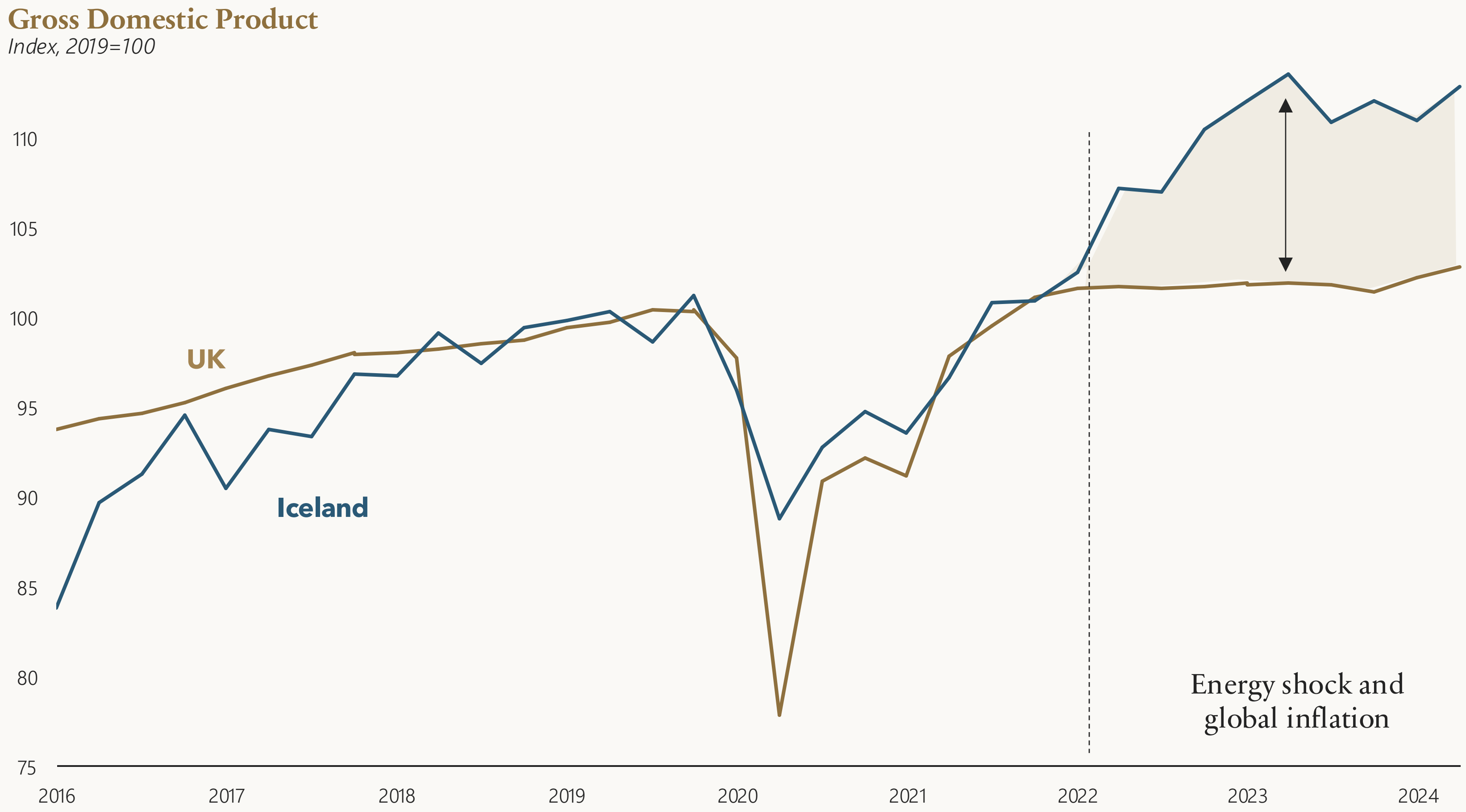


Source: FRED, StatIce.

The Backdrop

Global super-cycle driven by external shocks and unprecedented government stimulus



What caused the divergence?

Short answer:
Asymmetries in productive capacity

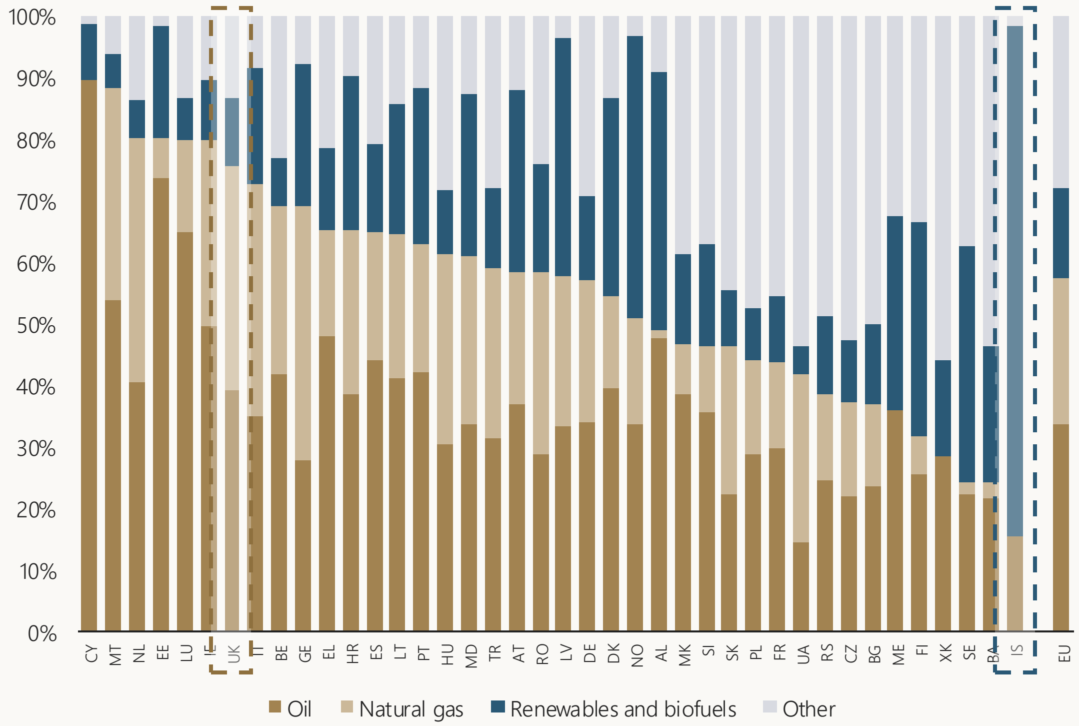
Source: FRED, StatIce.

Two Factors set Iceland Apart from European Peers

Europe suffered pseudo-productivity loss due to terms of trade shock

Energy independence

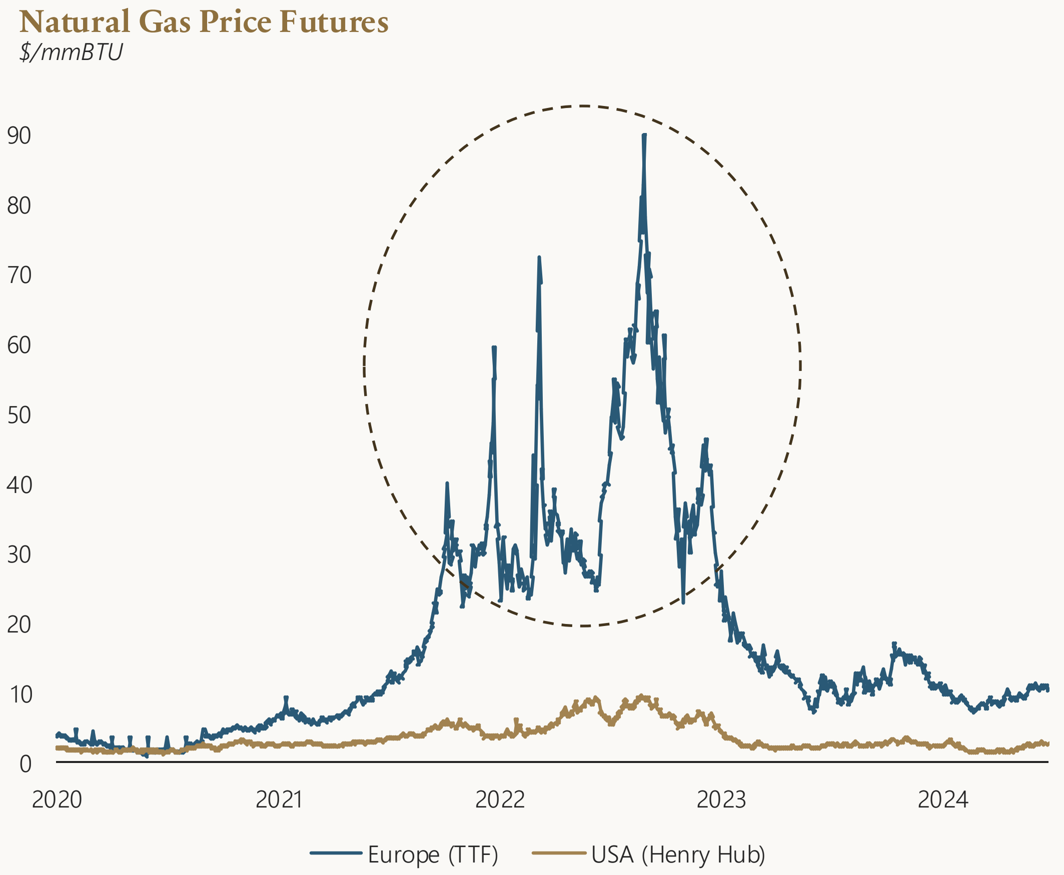
Final Energy Consumption by Product
% of gross inland energy consumption

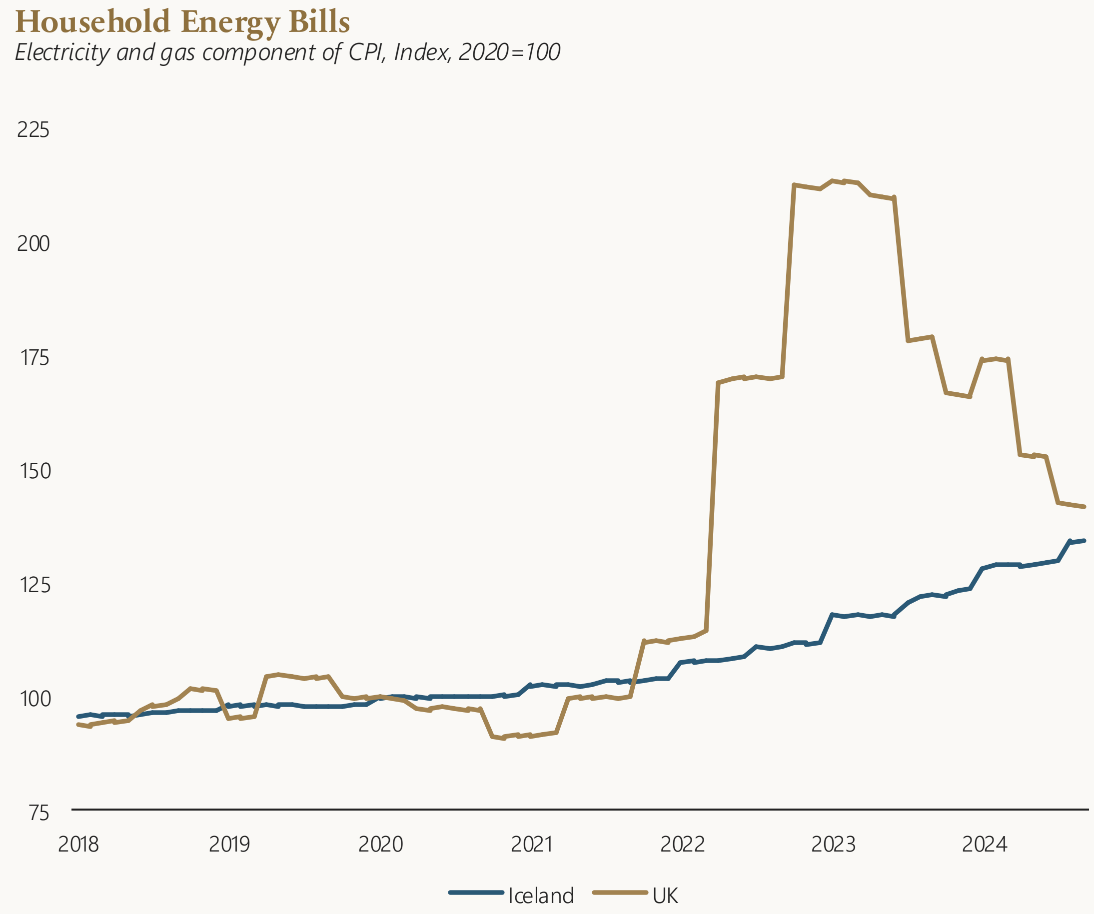


Source: OBR.

European Energy Price Shock Barely Registered in Iceland

Europe suffered pseudo-productivity loss due to terms of trade shock





Source: Bloomberg, ONS, StatIce.

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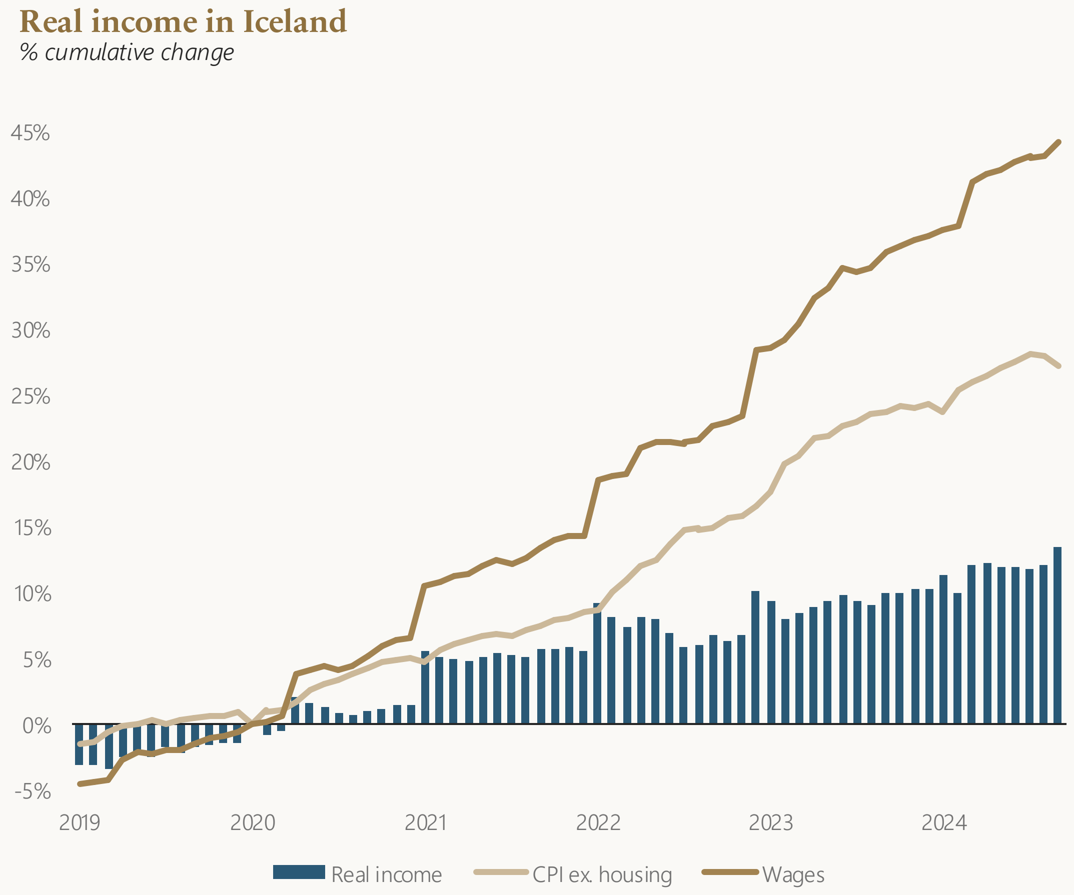
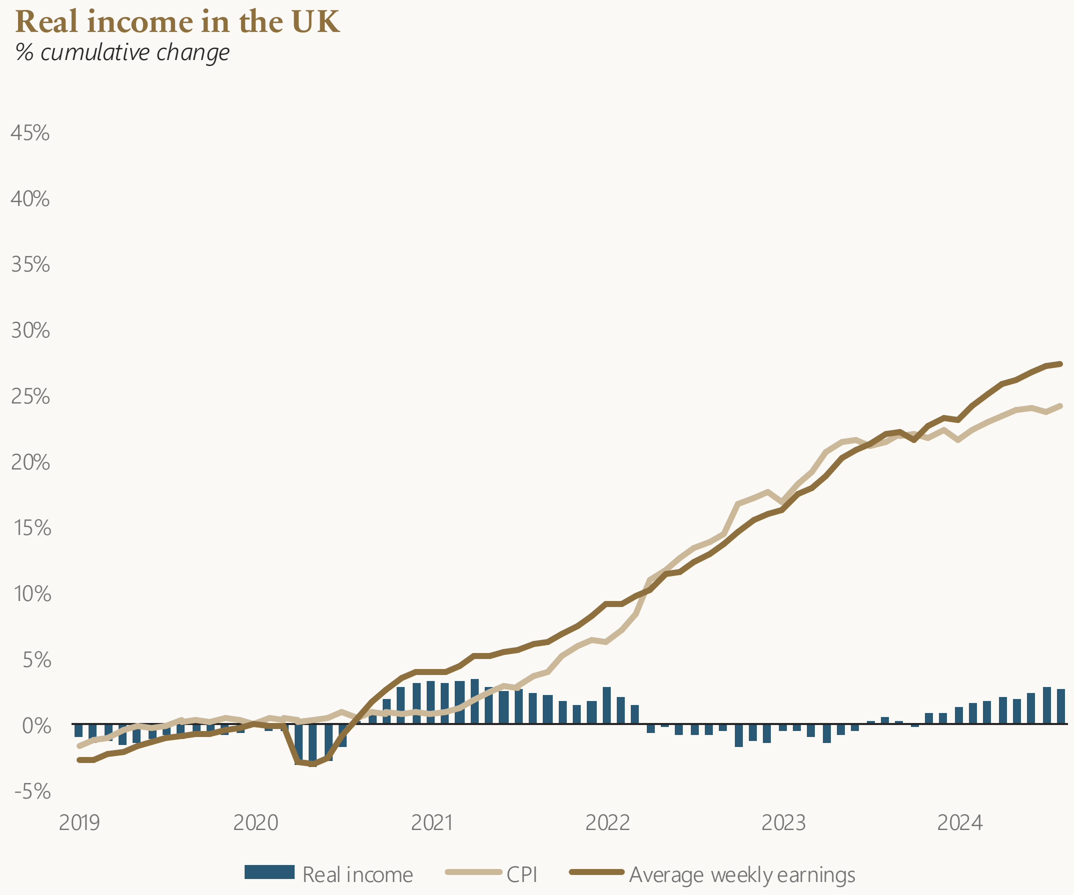




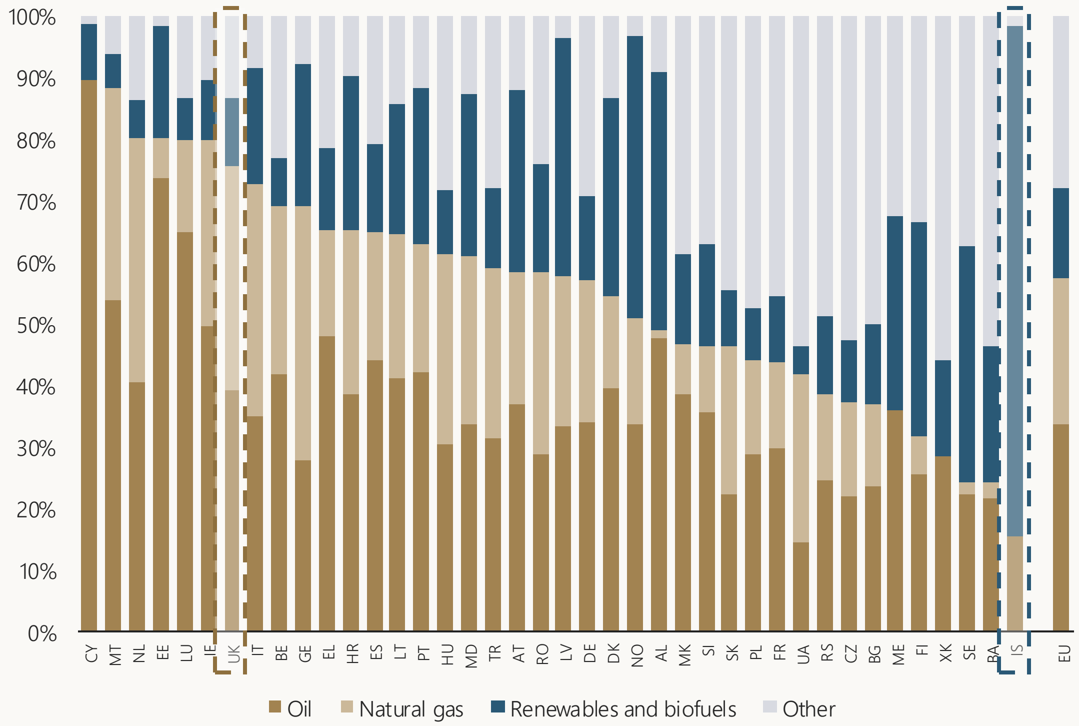
Source: ONS, StatIce.

Two Factors set Iceland Apart from European Peers

Europe suffered pseudo-productivity loss due to terms of trade shock, while Iceland saw large expansion of labour force

Energy independence

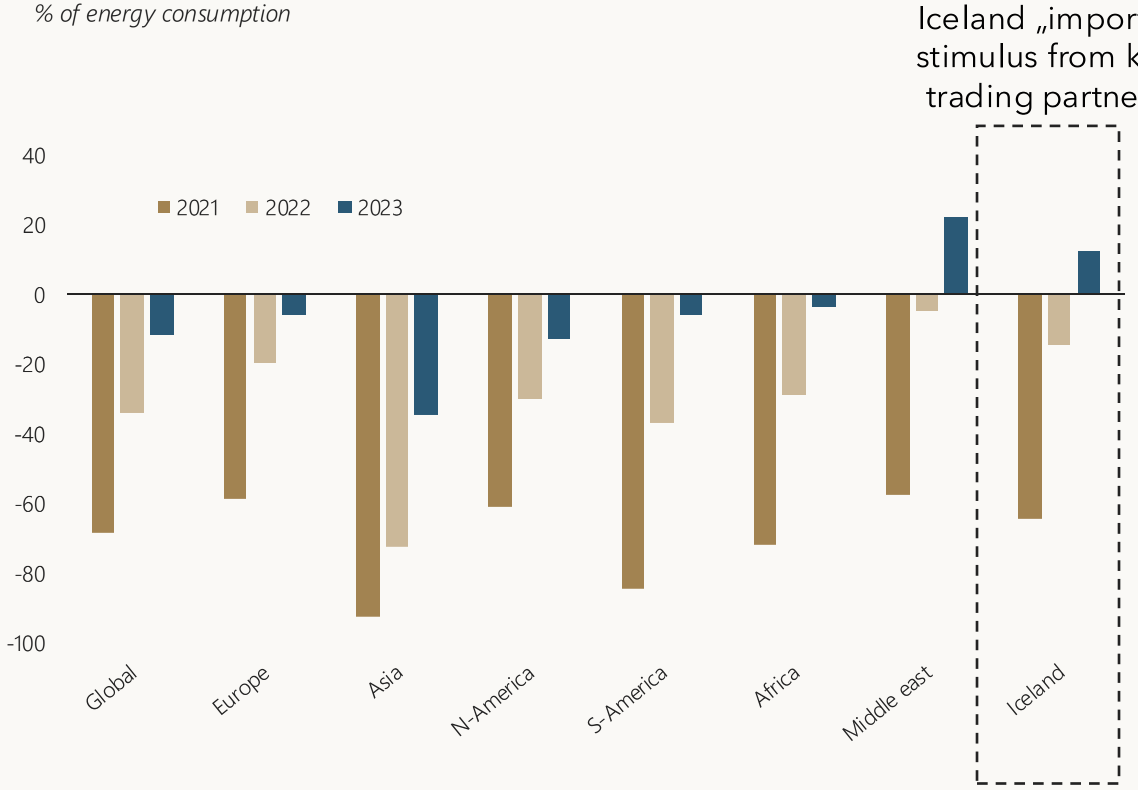
Final Energy Consumption by Product
% of gross inland energy consumption in European Economies



Source: ONS, StatIce, CBI.

Population growth to support rapid export recovery

International tourist arrivals
% of energy consumption



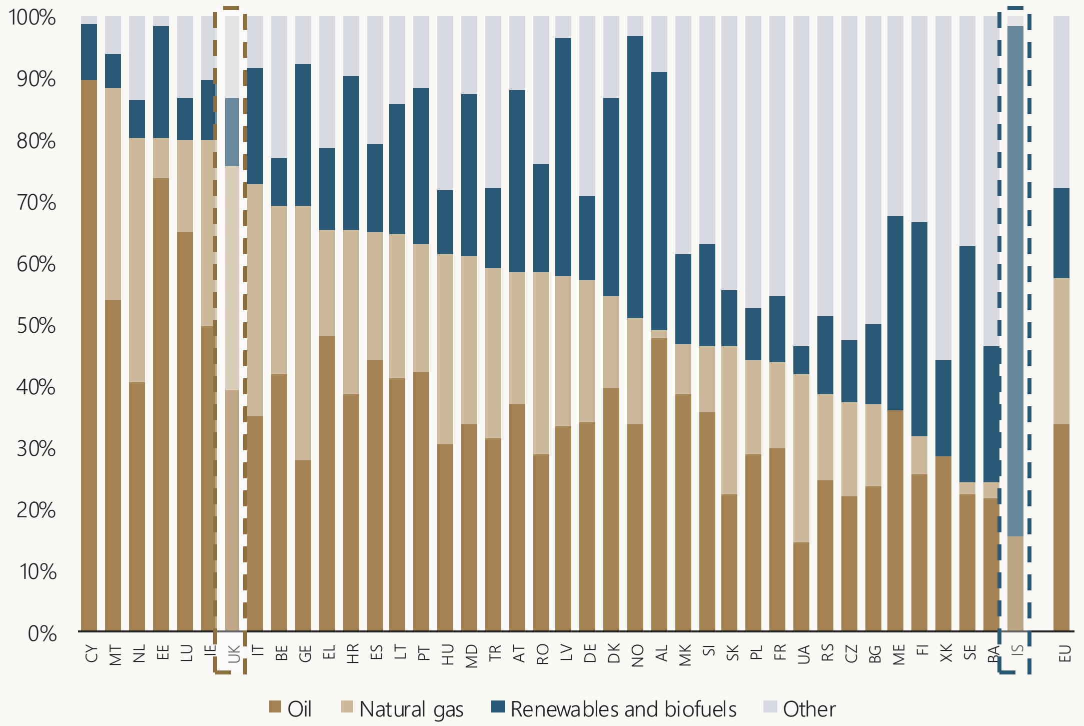
Two Factors set Iceland Apart from European Peers

Europe suffered pseudo-productivity loss due to terms of trade shock, while Iceland saw large expansion of labour force

Energy independence

Final Energy Consumption by Product

% of gross inland energy consumption in European Economies

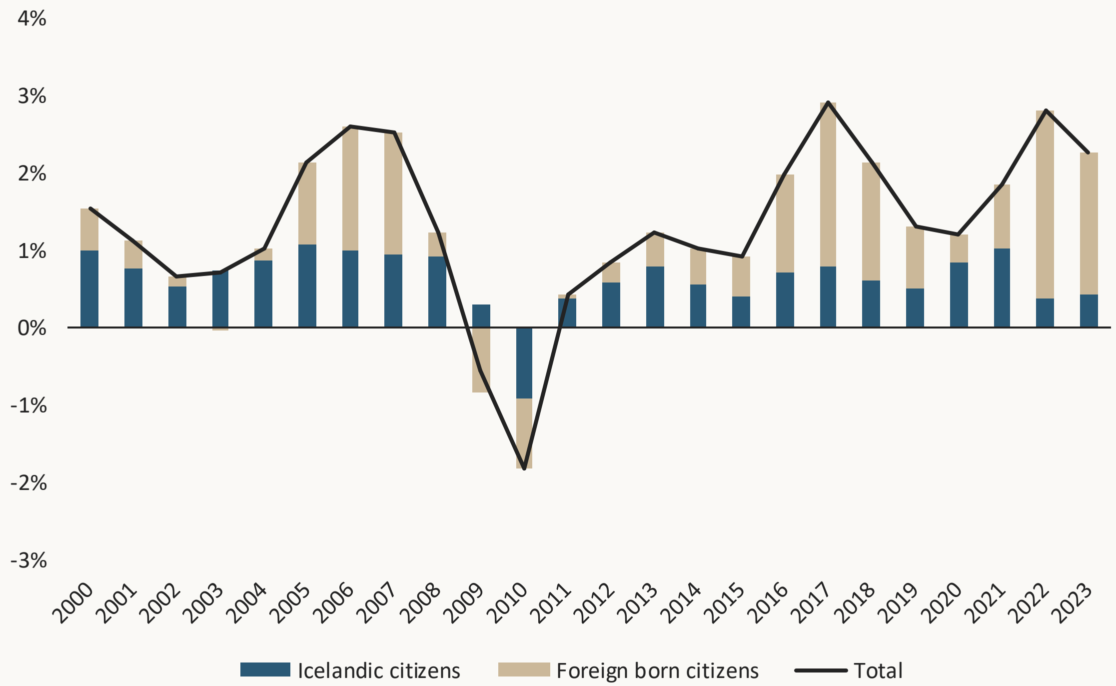


Source: ONS, StatIce.

Population growth to support rapid export recovery

Icelandic Population Growth

% change YoY



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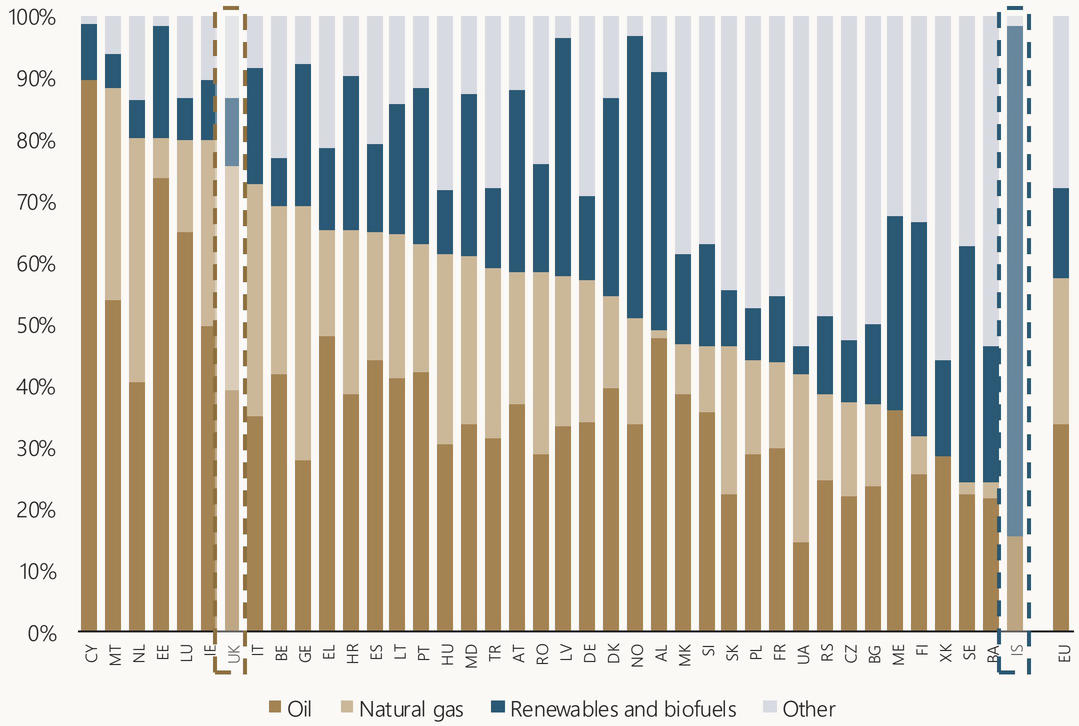
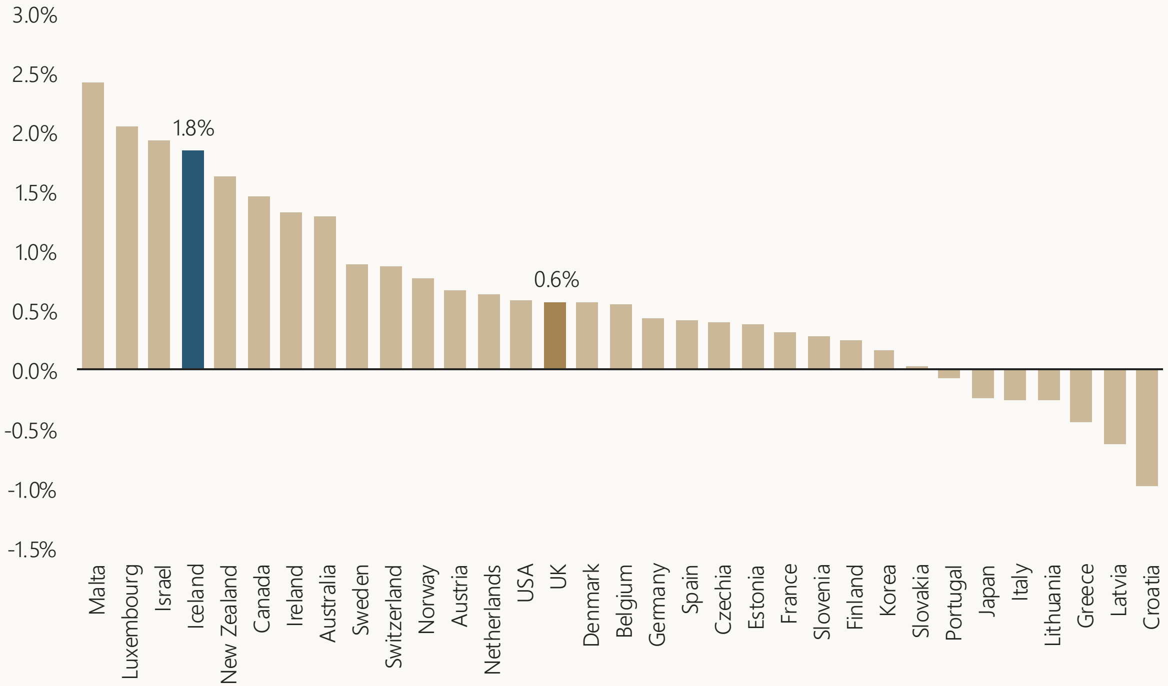


Source: ONS, StatIce, IMF.

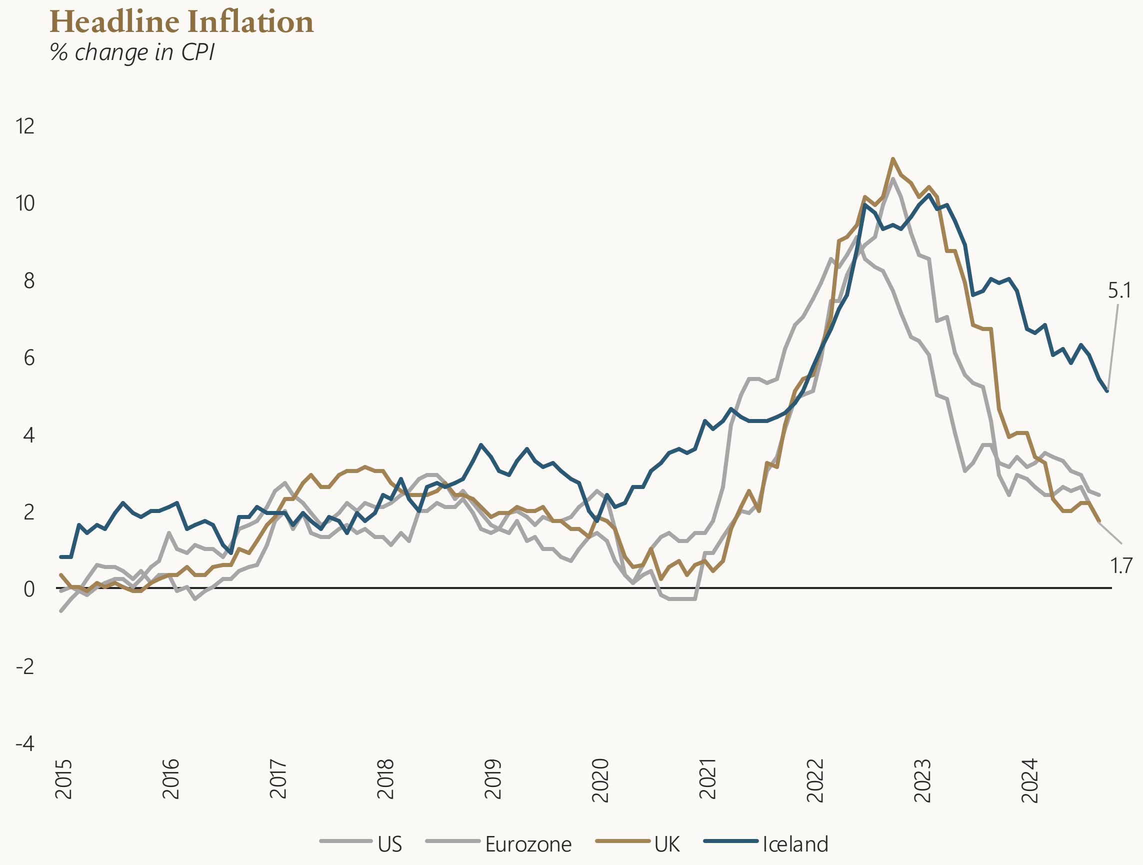
Population growth to support rapid export recovery

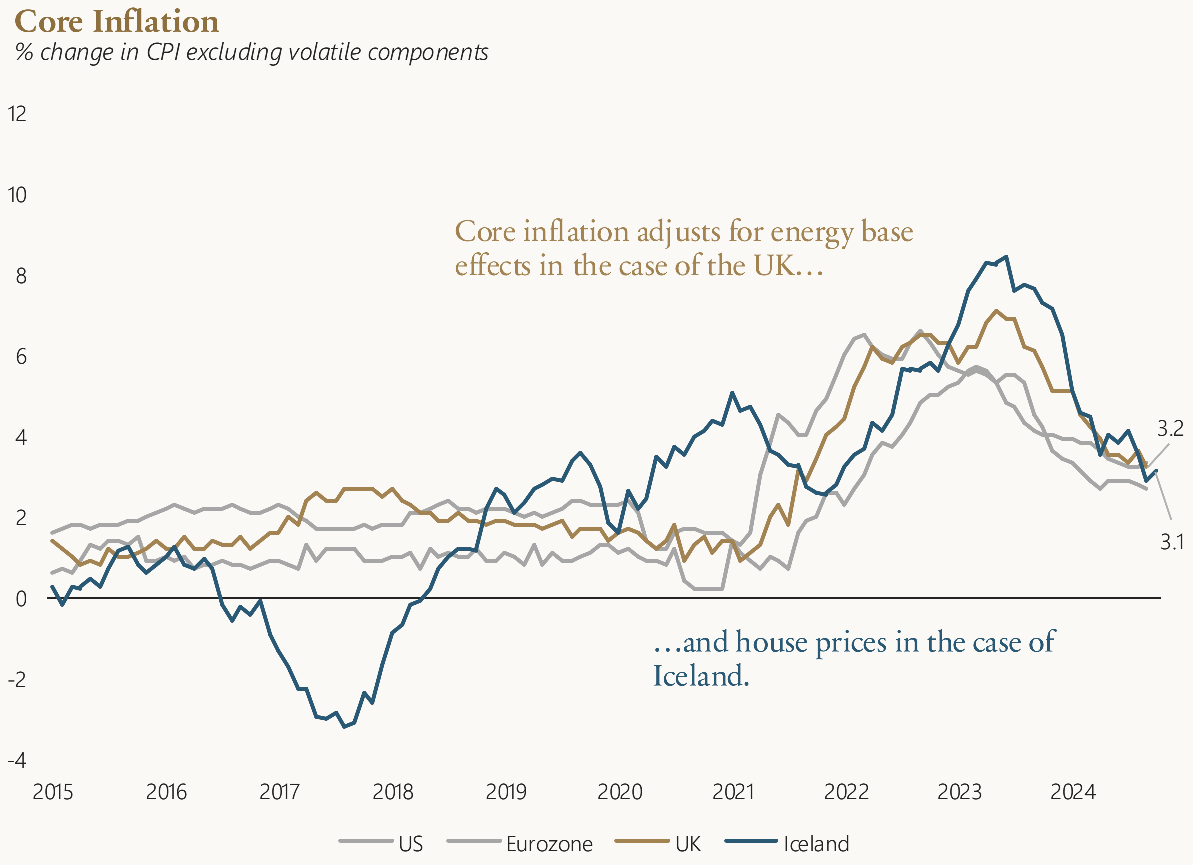
Population Growth 2014-2024
% annualised cumulative population growth



The Same Factors Explain Some of the Variation in Inflation

The asymmetric impact of energy prices and owner-occupied rents explain most of the difference in headline inflation



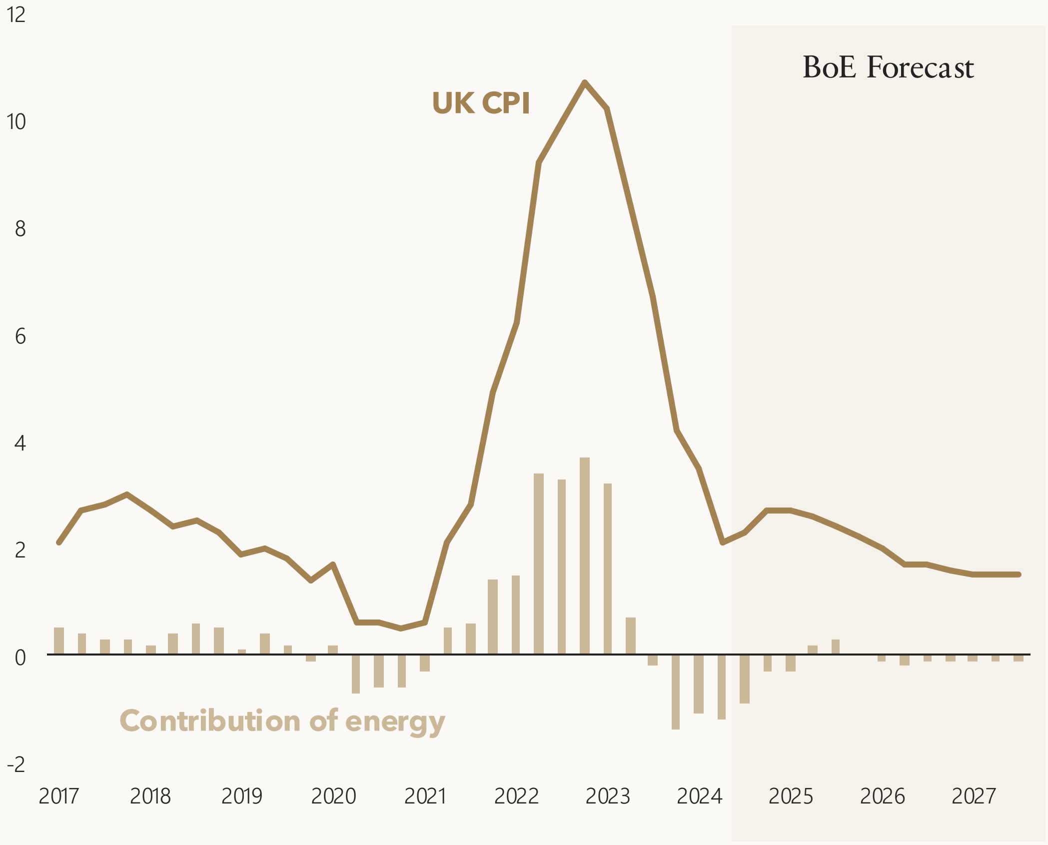


Source: National statistical agencies. Ex food and energy for UK, EZ and US, and ex food, energy, government services and owner-occupied rents for Iceland.

Inflation been Stabilised in UK, Iceland has Some Way to Go

Bringing inflation to target more arduous when inflation expectations become disanchored

Latest BoE inflation forecast (August)
Quarterly, % change in CPI YoY



Latest CBI inflation forecast (August)
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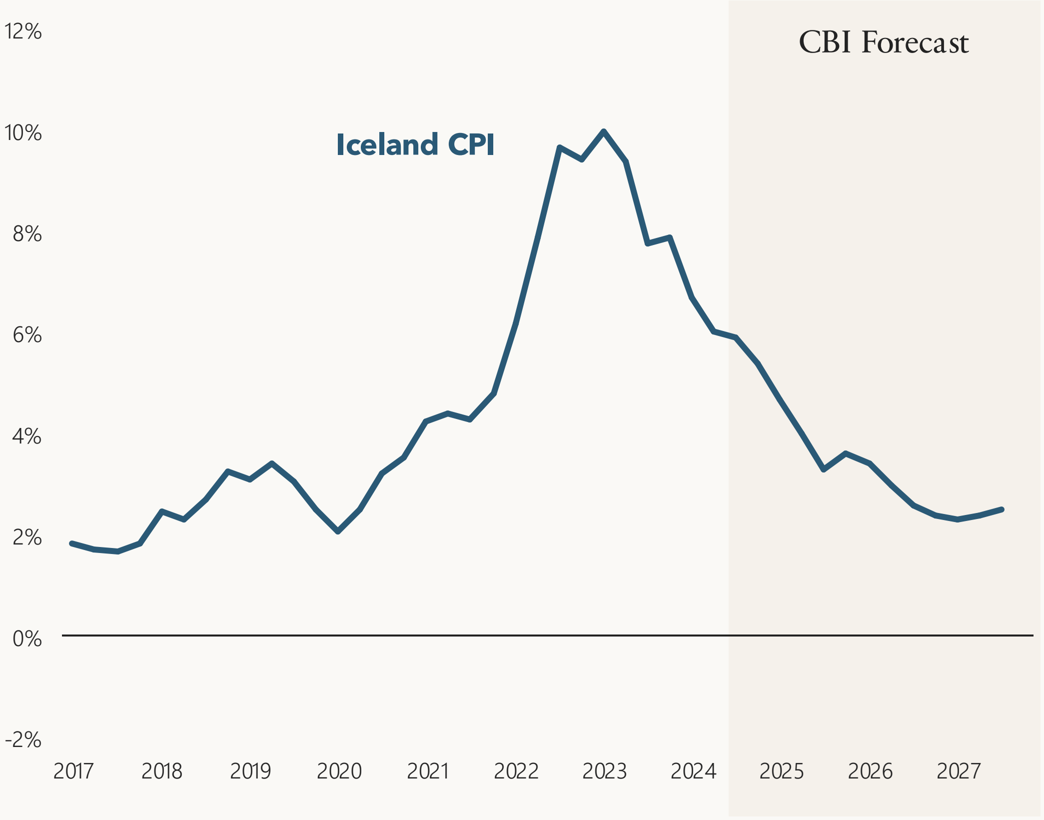

Source: Bank of England, Central Bank of Iceland. CBI forecast adjusted for Q3 outturn.

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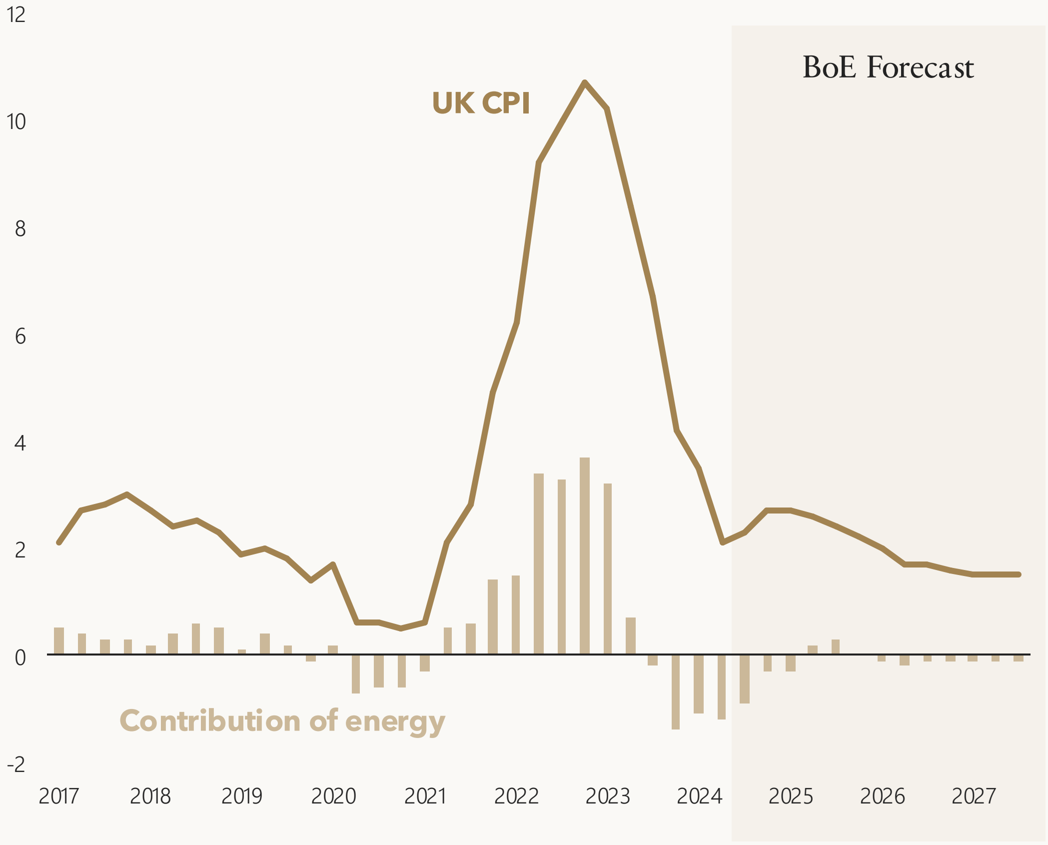

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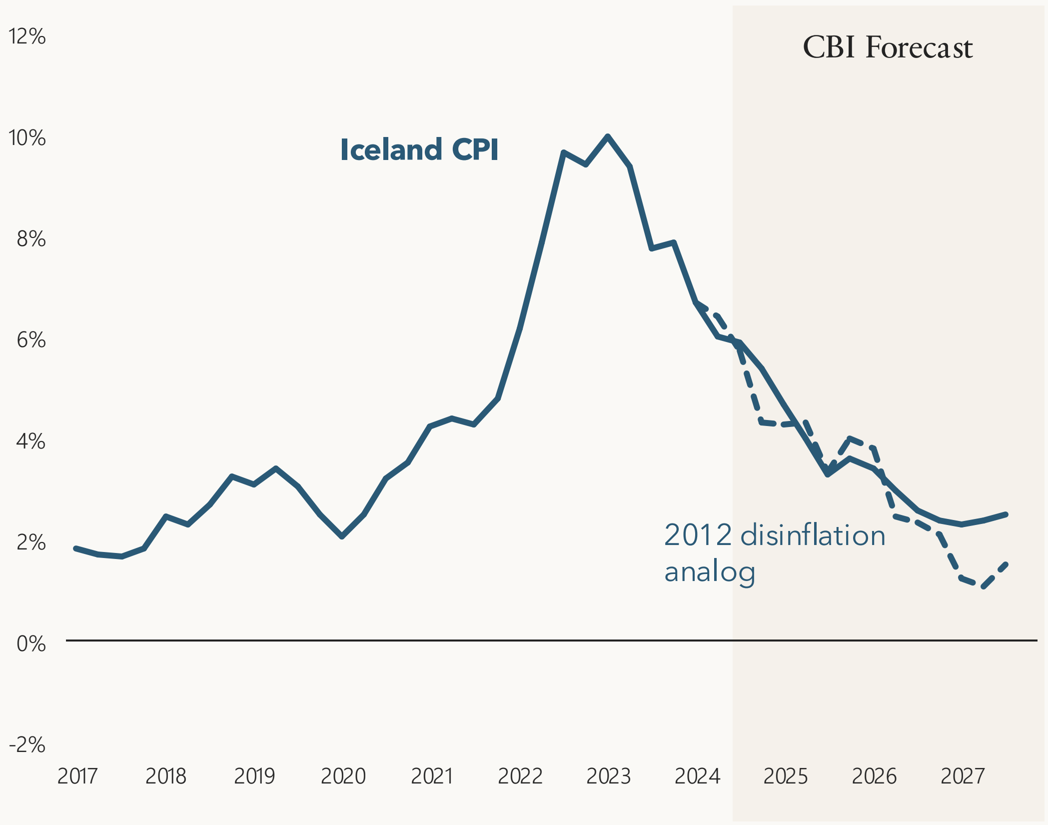
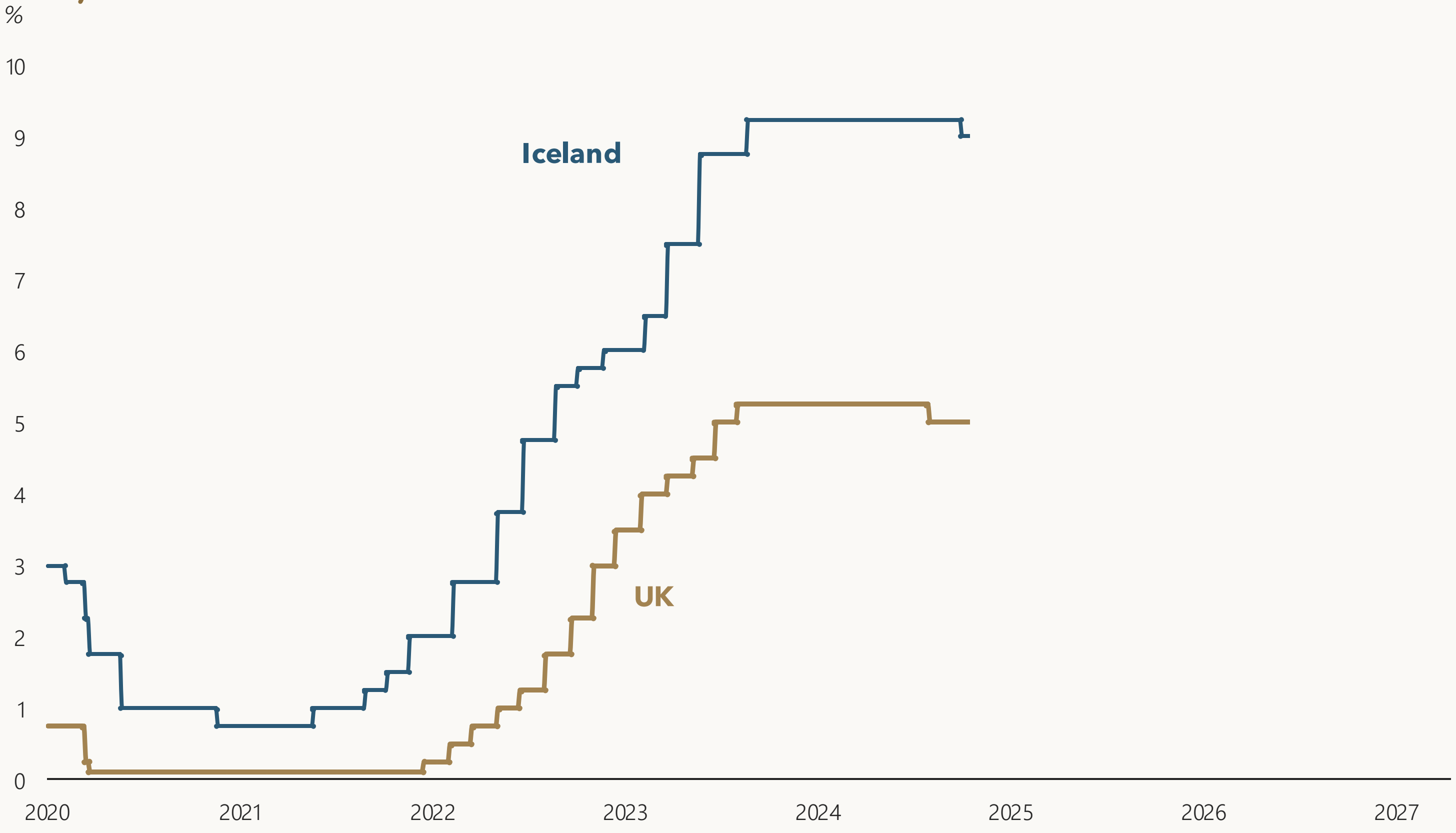


Source: Bank of England, Central Bank of Iceland. CBI forecast adjusted for Q3 outturn.

Normalisation of Policy Rates Set to Continue

Co-ordinated global monetary loosening as inflation risks gradually subside

Policy rates and forward curves



Cuts priced in

2024 25-50bps
2025 125-150bps
2026 50-75bps

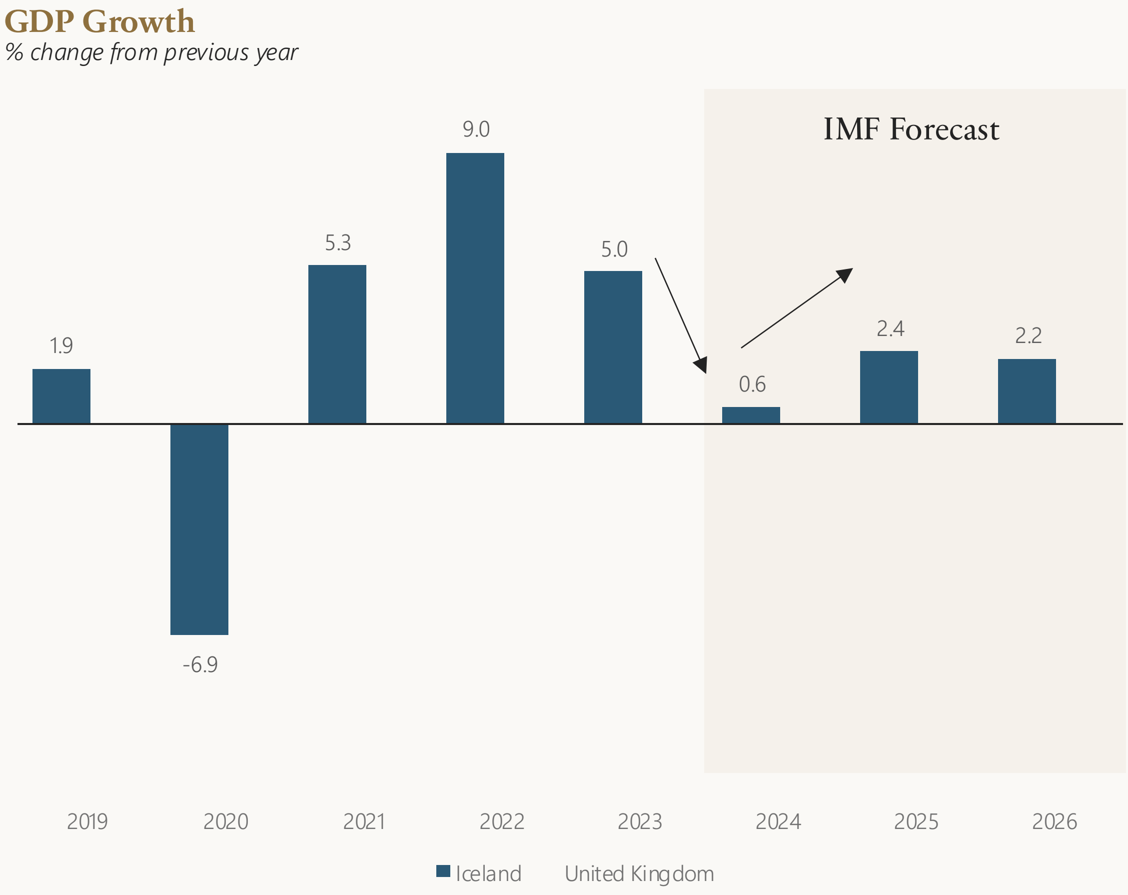
Cuts priced in

2024 25bps
2025 50-75bps
2026 0-25bps

Source: BoE, Kvika. UK forward rates based on Overnight Index Swaps. Icelandic forward rates based on NSS estimate curve using outstanding government bonds. Curves as at 4 November.

Soft Landing Remains the Base Case for Both Economies

Both economies are reaching inflection point in the current cycle



Iceland

2023 Tailwinds from tourism and large inwards net migration support growth even as restrictive monetary policy weighs on domestic demand.

2024 Inflection point as impact of monetary policy peaks and headwinds in exporting sectors cause slowdown.

2025 Domestic demand rebounds as inflation subsides and real incomes grow, policy stance loosened and exporting sector recovers.

Source: IMF.

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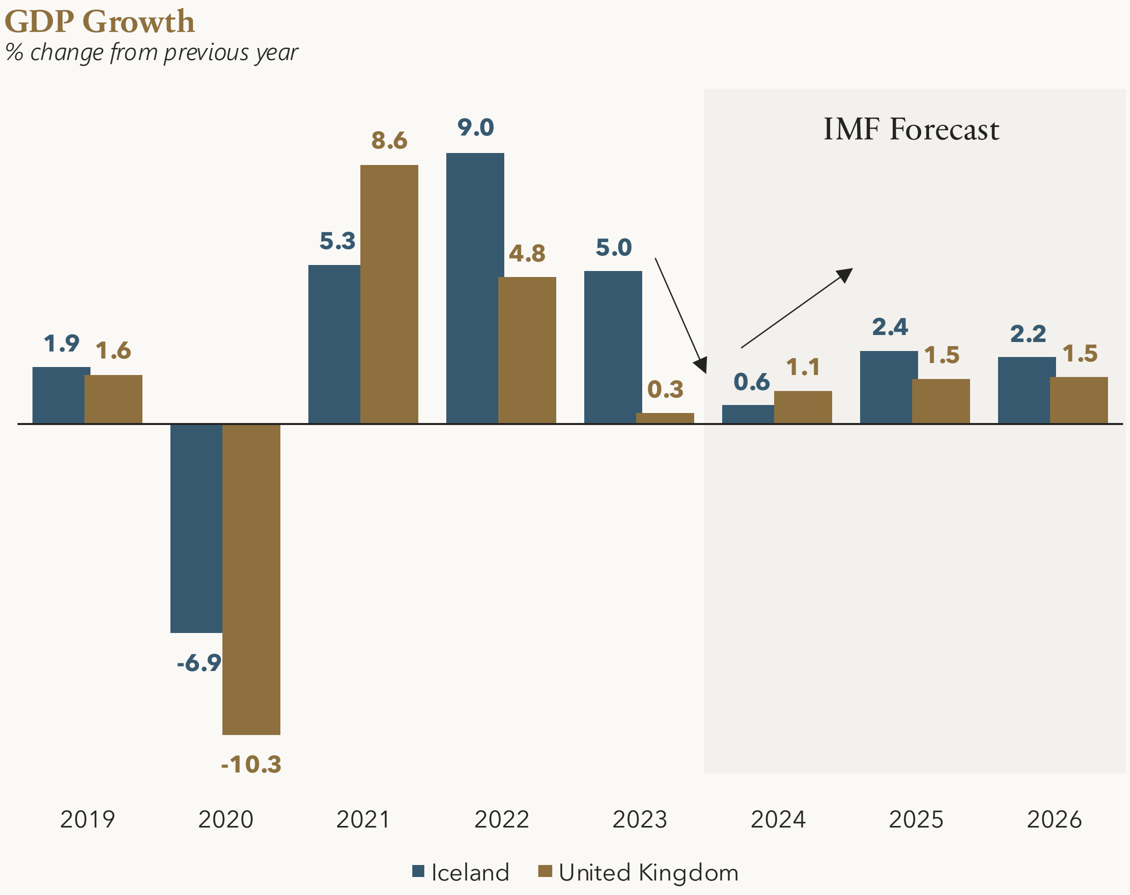

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2024 Inflection point as impact of monetary policy peaks and headwinds in exporting sectors cause slowdown.

2025 Domestic demand rebounds as inflation subsides and real incomes grow, policy stance loosened and exporting sector recovers.

UK

2023 Terms of trade shock, cost of living crisis and rapid interest rate increases weigh on demand.

2024 Demand starts to recover as headwinds from energy prices fade and cost of living crisis unwinds.

2025 Growth accelerates as real incomes recover and rates normalise.

Source: IMF.

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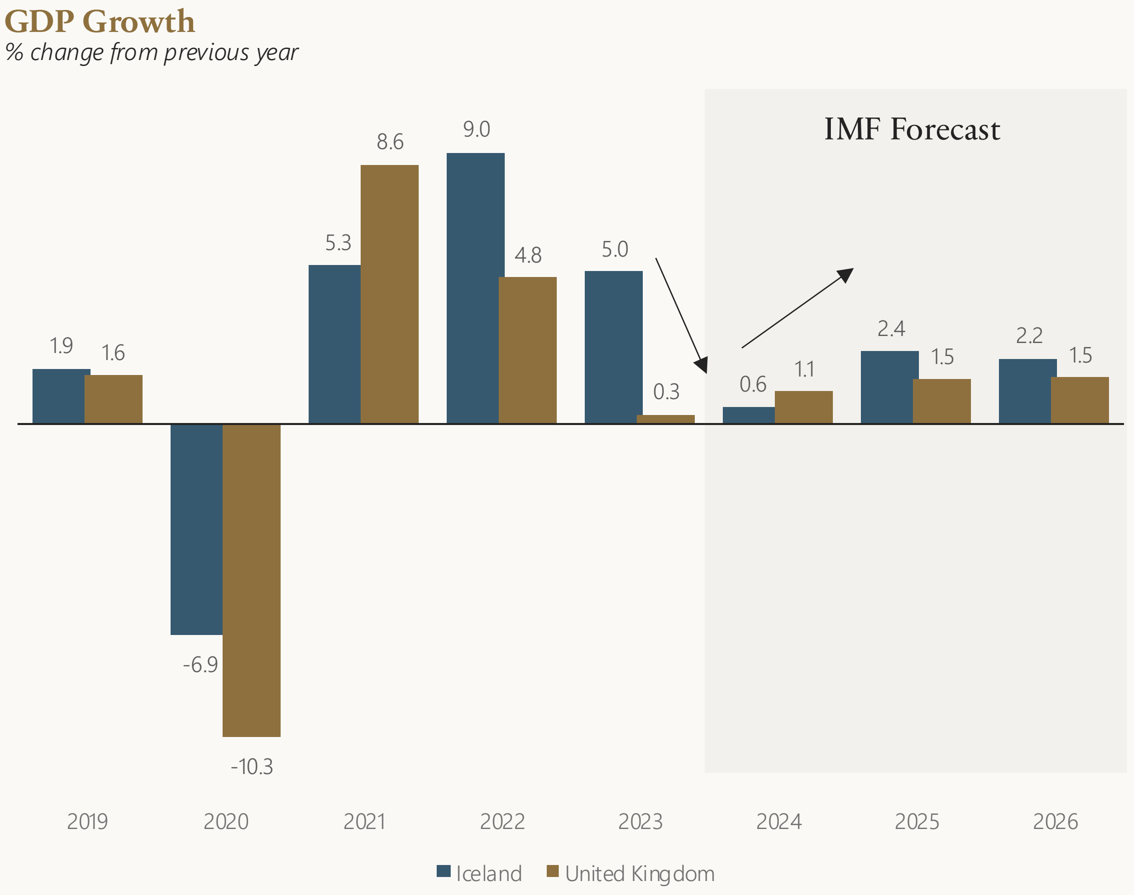
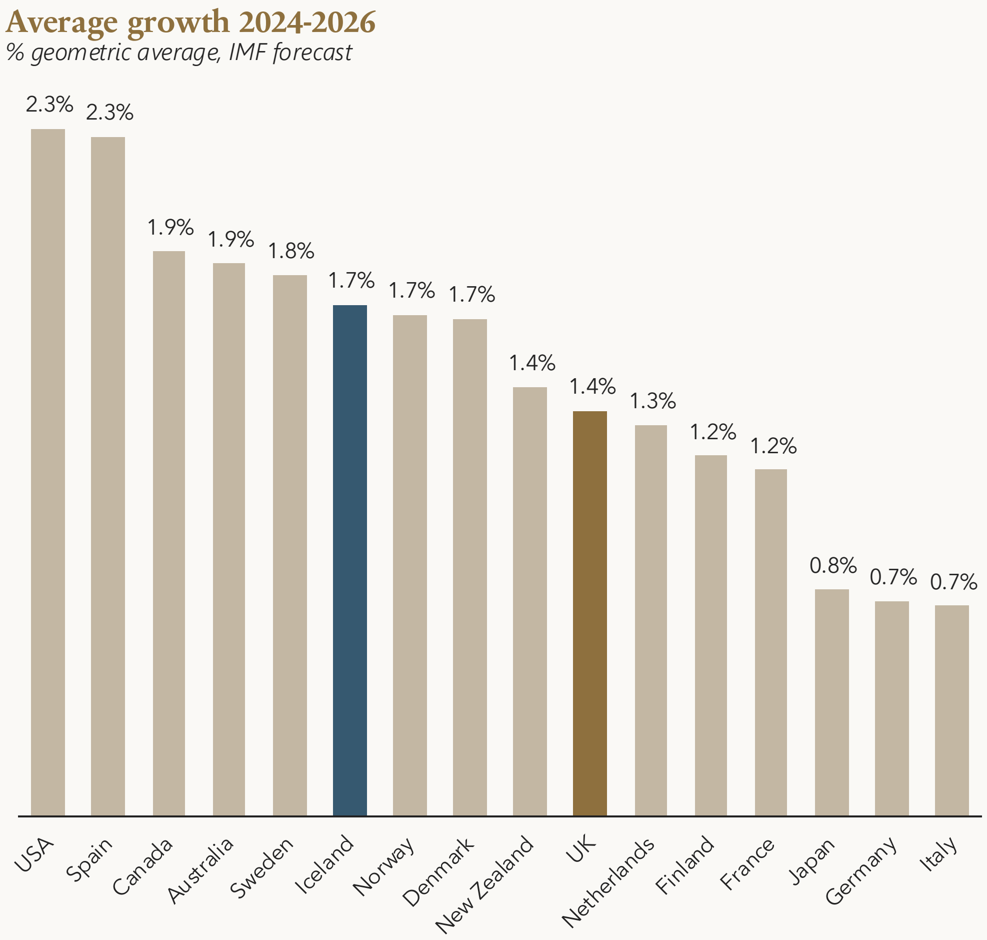




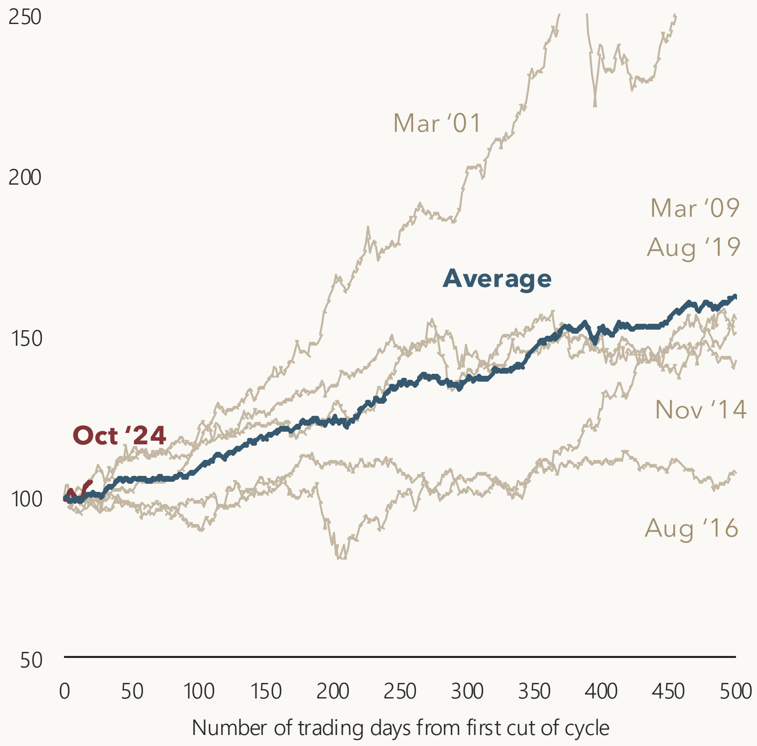
Source: IMF.

Rate Cuts in Soft Landing Regimes Historically Supportive

Since central bank independence, market rallies have coincided with rate cuts when combined with resilient economy

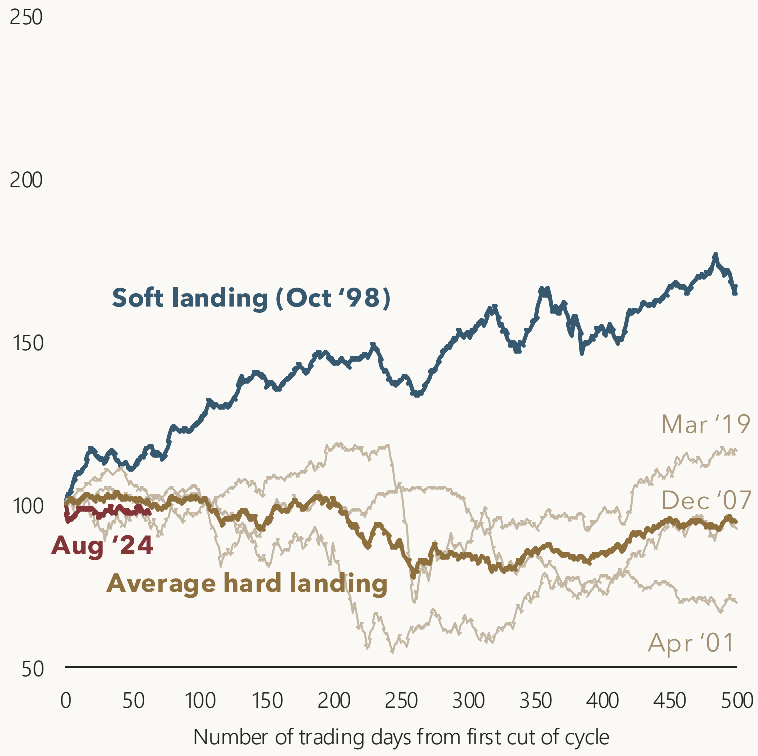
Icelandic equity returns when CBI cuts

Cumulative toral return of all-share index, t0=100



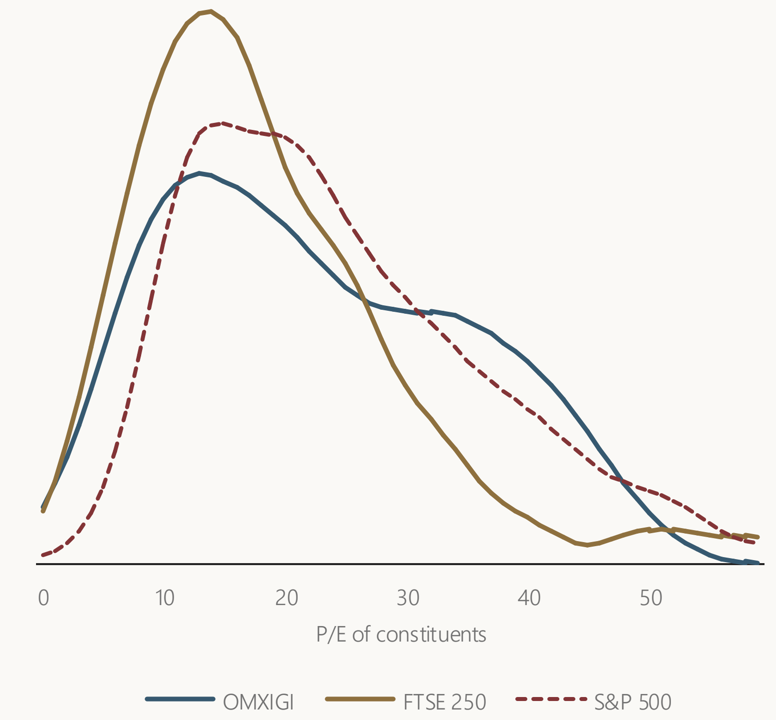
UK equity returns when BoE cuts

Cumulative toral return of FTSE 250, t0=100



Distribution of P/E multiples within indices

Relative frequency, kernel density estimate



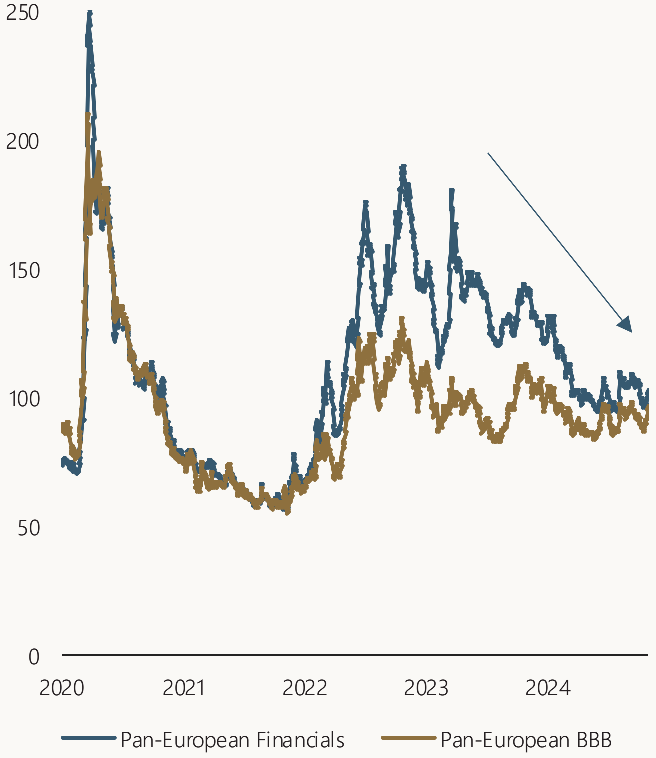
Source: Bloomberg, own calculations. Returns for two years following interest rate cuts.

Easing Financial Conditions Evident in DCM

Funding conditions eased significantly in 2024, with markets exceptionally supportive of recent issuance

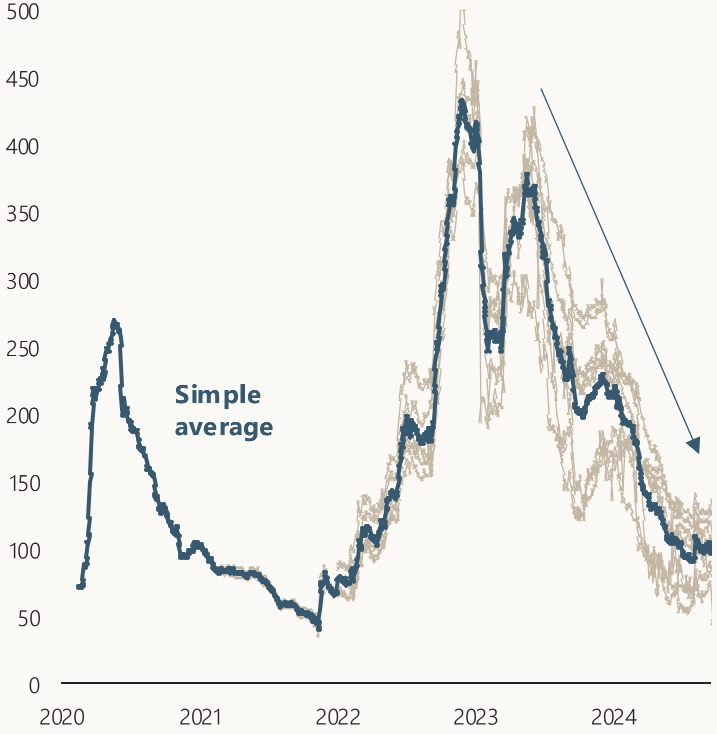
Spread on European Issuers

Bps, OAS



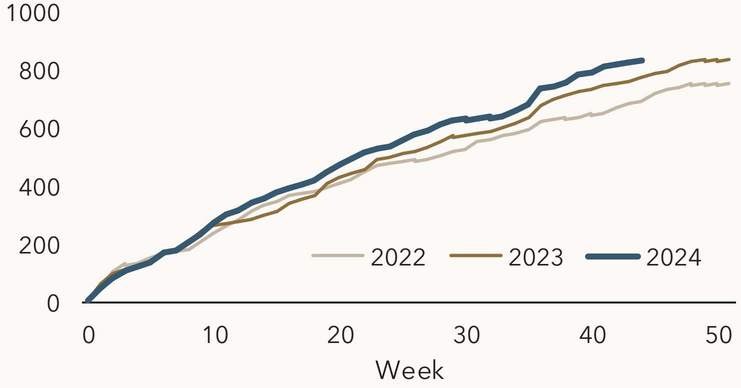
Spread on Icelandic bank EUR issues

Bps, Z-spread



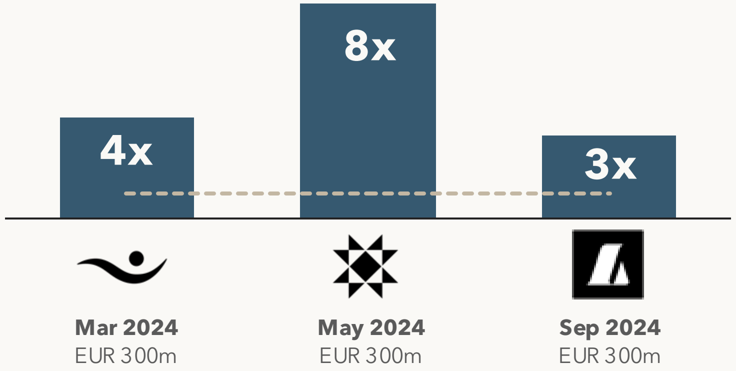
IG Corporate Eurobond Issuance

USD bn. cumulative

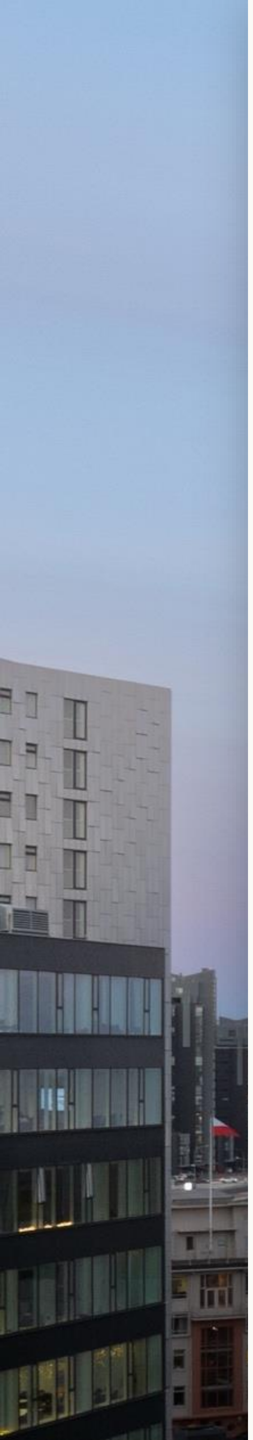


Bid-to-cover for Icelandic Bank EUR issues

Ratio of final order books to issue size



Source: Bloomberg.



We expect a soft landing in key markets, with growth set to return as inflation and rates normalise

KVIKA

A Historic Perspective

The creation of a challenger

Ármann Þorvaldsson
CEO

Creation of a Challenger

Journey from establishment in 2015 driven by clear objectives

Revenue Growth

At each stage, Kvika has **strategically deployed its resources** to drive growth.

Internal growth has been bolstered by **active development of new products and services**, while the bank's **market position and financial strength** have supported strong external growth through a targeted **'buy and build' strategy**

Cost Synergies and Savings

Kvika has fostered a **cost-conscious culture** from the very beginning.

Investments in technology have been key to **reducing headcount and building a scalable platform** for growth. **Acquisitions and mergers** have focused on **cost synergies**, where asset management consolidation has driven **operational savings**.

Additionally, an efficient funding base has enabled Kvika to capture financial synergies in lending acquisitions, **boosting profitability**

Increased Financial Strength

Kvika has **significantly strengthened its financial position** through **strategic moves**, **mergers**, and **retained earnings**. Since 2015, **tangible equity** has grown from **ISK 6.4 billion** to an **estimated ISK 64.4 billion***, driven by earnings, strategic mergers and the expected sale of TM.

Kvika has maintained **strong capital** and **liquidity ratios** throughout its growth phases, which will be **at an all-time high** following the TM divestment.

Diversification and Risk Reduction

A key element of Kvika's strategy has been **reducing risk across operations** by **diversifying revenue streams** and focusing on more **stable income sources**.

The bank has strengthened and diversified its loan book through **targeted acquisitions** and **organic growth**, achieving a **balanced and more granular portfolio**.

*Expected tangible equity post TM divestment, given purchase price adjustment as of 30.9.2024

Creation of a Challenger

Phase I: Asset Management Consolidation

MP Banki and Straumur merge under the name Kvika

Kvika merges with Virðing and Alda sjóðir

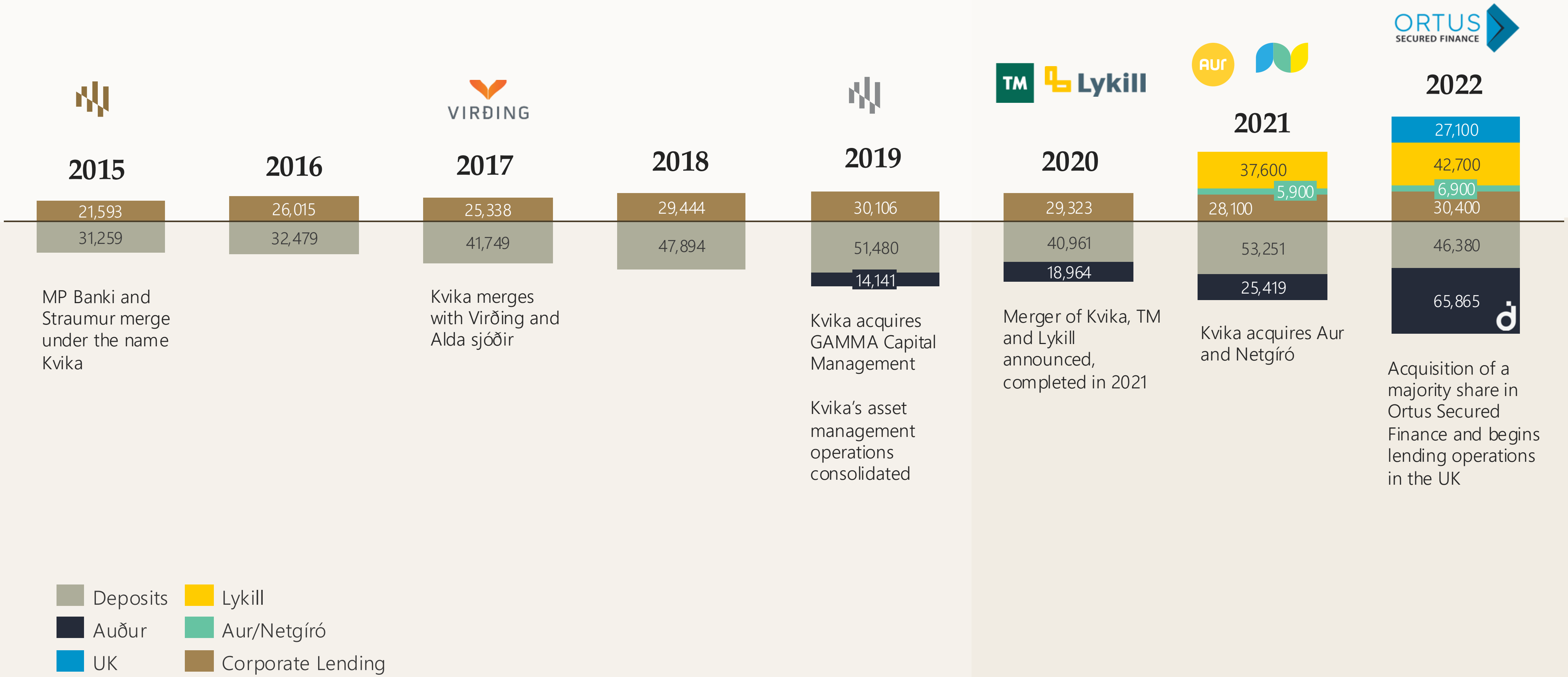
Kvika acquires GAMMA Capital Management

Kvika's asset management operations consolidated

Deposits Corporate Lending
Auður

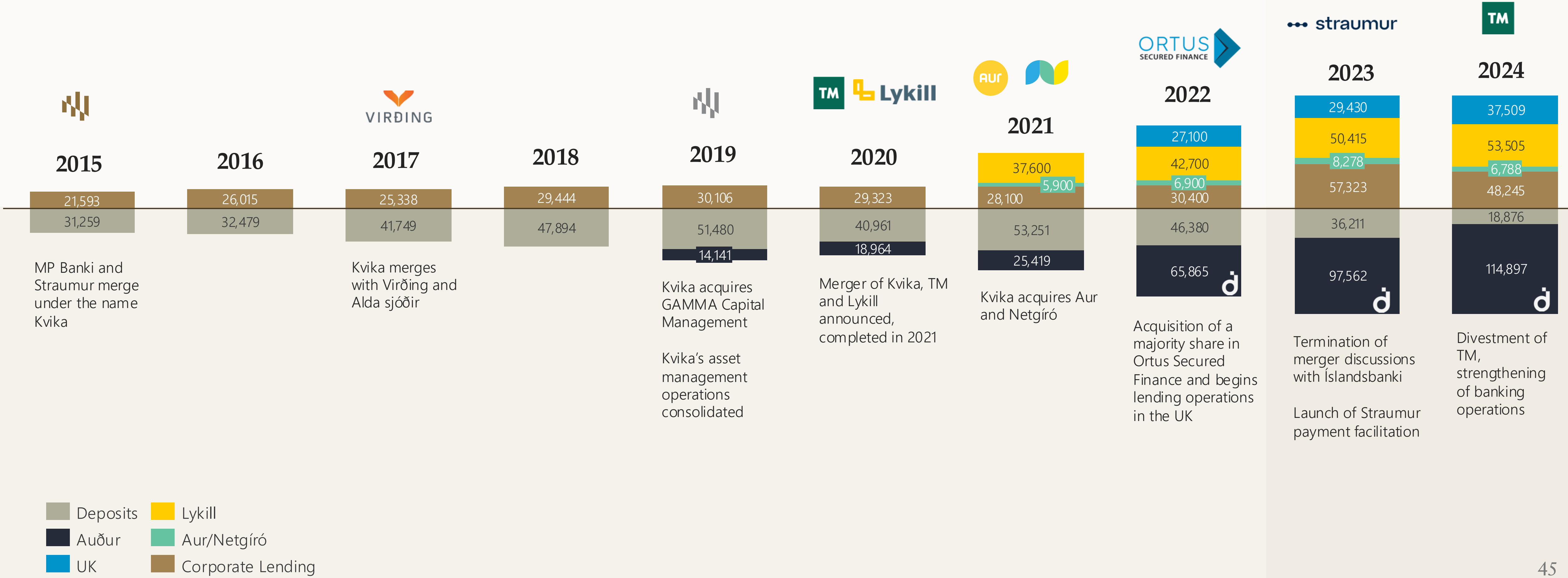
Creation of a Challenger

Phase II: Strengthening of lending operations



Creation of a Challenger

Phase III: Focus, rationalization and internal growth



TM Merger Has Been Very Successful

Successes

Value Creating

At the start of merger talks on 28 September 2020 TM was valued at ISK 27bn.

Total dividend of ISK 4.1 bn. paid to Kvika since acquisition

Lykill remains merged with Kvika, acquired by TM in 2020 for a total consideration of ISK 9.6 bn.

Expected TM sale proceeds over ISK 30 bn.

Doubled Kvika's balance sheet

The merger, which included vehicle lender Lykill with its significant loan portfolio, doubled Kvika's balance sheet, boosting interest income, diversifying the loan book, and strengthened the bank's overall credit quality

Significant cost synergies achieved

Over ISK 1.5 bn. in annual cost savings achieved, mainly through operational synergies between Kvika and Lykill, and the refinancing of Lykill's loan portfolios with Kvika's more efficient funding base

..But Not Without Challenges

Challenges

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Lack of revenue synergies

Cross-selling opportunities between Kvika and TM are limited due to minimal overlap in customer segments and differing client needs.

While not expected to be a major factor, revenue synergies have proved underwhelming

Earnings volatility

Market fluctuations affect TM's investment portfolio, resulting in significant fluctuations in revenues and profit, making it harder for the bank to deliver consistent financial performance and complicating financial forecasting

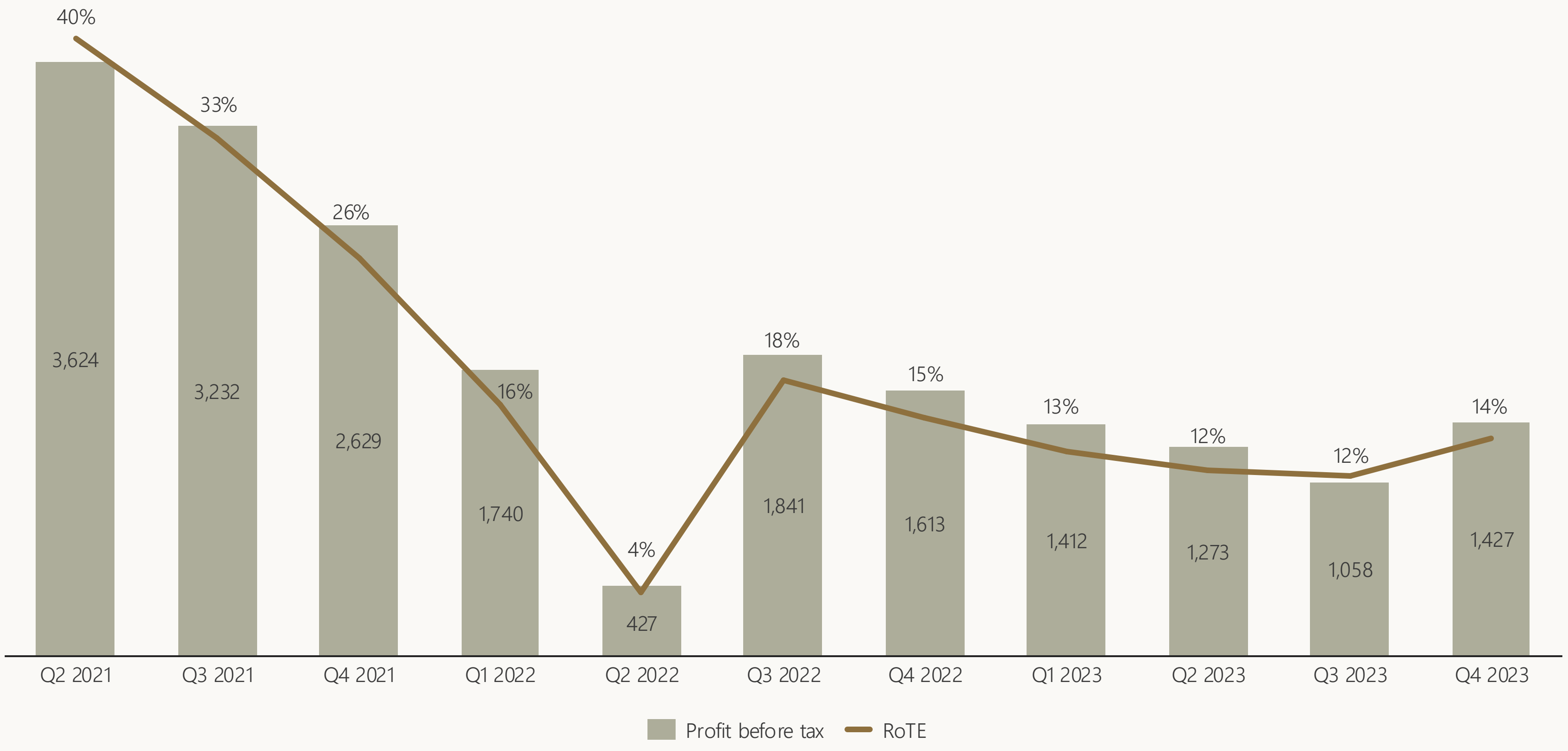
Market perception

TM's earnings volatility has caused significant swings in Kvika's market valuation, in contrast to the valuation of standalone insurance companies, where the share price moves considerably less in line with fluctuations in investment income

Performance Below Expectations 2022-2023

Profit before tax and RoTE incl. TM

ISK m. / (%)



Following an exceptionally successful year in 2021, the following years were characterized by **sub-target profitability** due to **internal** and **external factors**

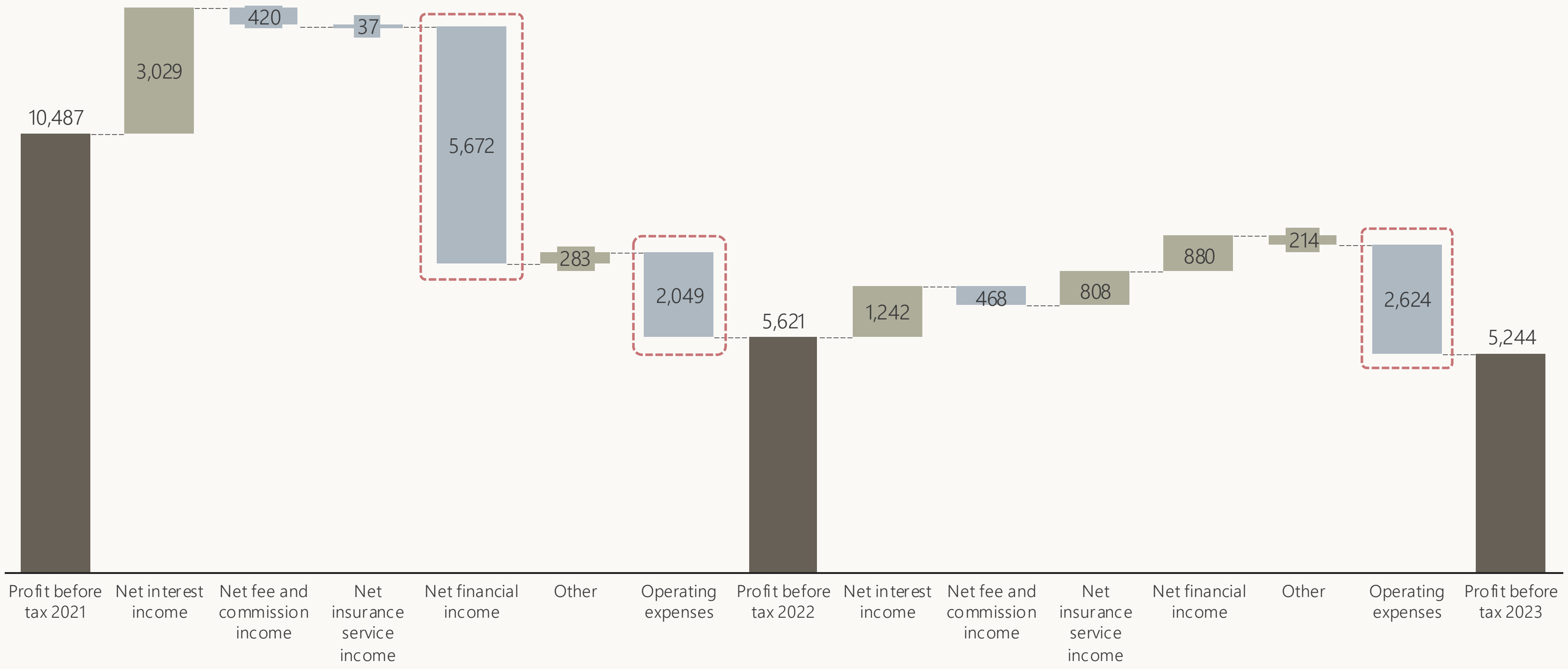
High inflation, **rapid interest rate hikes** and a **weak stock market** significantly affected the groups revenue generation

Concurrently, **costs rose** considerably, driven by **inflation** and **wage increases**, but also heavy **investment** in **infrastructure** and new **product development**

2021 only includes TM and Lykill from 1 April 2021 due to merger on 31 March, UK operations only include Ortus Secured Finance from 1 March 2022

Mainly Due to Low Financial Income and High Cost

Comparison of key figures, incl.TM
ISK m.



In 2022 Net Financial Income **decreased by ISK 5,672** million from the year before

Operating Expenses increased by ISK 2,049 million which, combined with other factors, **led to a nearly 50% decline in Profit Before Tax**

The trend continued into 2023, with Operating Expenses rising further, while revenue streams remained largely unchanged

Significant part of increasing expenses due to **investment in infrastructure**

*2021 only includes TM and Lykill from 1 April 2021 due to merger on 31 March, UK operations only include Ortus Secured Finance from 1 March 2022

KVIKA

Infrastructure and Optimisation

Anna Rut Ágústsdóttir
COO

Overcoming the Obstacles of Building a Challenger

Challenges

Mergers & Acquisitions:	Broad Product Range:	Introduction of Retail Products:	Rising External Risks:
Complex system integrations	Extensive infrastructure	Adapting to new service levels	Heightened security risks
Integration of systems, employees and processes	Investing in scalable infrastructure	Realignment of processes and systems	Focus on cyber security

Responses

Kvika's growth trajectory has presented challenges, but **strategic infrastructure investments** and **strengthening** of **systems** and **processes** have ensured **efficiency** and positioned the bank for **continued growth**

Building a Scalable and Secure Infrastructure

Key Work Streams Supporting Growth and Operational Excellence

Objectives	Key Work Streams	
Investing in scalable infrastructure	**Data infrastructure** →	New Azure data warehouse • Power BI reporting for structured insights • Enhanced analytics and data modeling
	Hosting environment →	Hybrid and multi-cloud strategy • Improved on-prem hosting for security and uptime
Integration and realignment of systems, processes and employees	**Onboarding & KYC** →	Digital onboarding processes • AML and risk scoring for customers • KYC processes for individuals and legal entities
	Compliance →	Regulatory reporting updates • New data warehouse for efficient reporting
Focus on cyber security	**Security** →	Enhanced cybersecurity • Network and security hardware upgrades • ISO 27001 certification • PCI certification of Straumur

With a strong foundation in place, Kvika's infrastructure is now equipped to support **diverse capabilities** and a **seamless customer experience**

Robust Physical and Digital Infrastructure

Ensuring flexibility and efficiency across the entire service ecosystem

Digital Infrastructure

Kvika Service Layer
Central, reusable services for seamless operations across all brands

Core Systems
Reliable, scalable software solutions that support operational excellence

Data Infrastructure
State-of-the-art data infrastructure development underway

Physical Infrastructure

Compliance	Project Management	Back Office	CRM	Loan Management
Call Center	Payment Networks	Treasury Funding	Risk	Credit Score

Underwriting Capabilities

Fully human reliant — Partially digital/automated — Fully digital/automated

Kvika's underwriting ranges from human-driven to fully automated. While automation offers retail expansion and scalability, human involvement remains a key competitive advantage, particularly in relationship banking

Kvika's physical infrastructure serves as the backbone of its operations, ensuring reliable and efficient service delivery across all business units, incorporating essential systems for loan management, CRM, risk management, compliance, and more.

This infrastructure integrates seamlessly with Kvika's **central service layer** and **core systems**, enabling **scalable growth** and driving **operational excellence**. Ongoing **development** of advanced **data infrastructure** further enhances decision-making capabilities and supports future innovation

By combining robust **physical** and **digital infrastructure**, Kvika achieves **stability**, **flexibility**, and **efficiency** across its entire service ecosystem

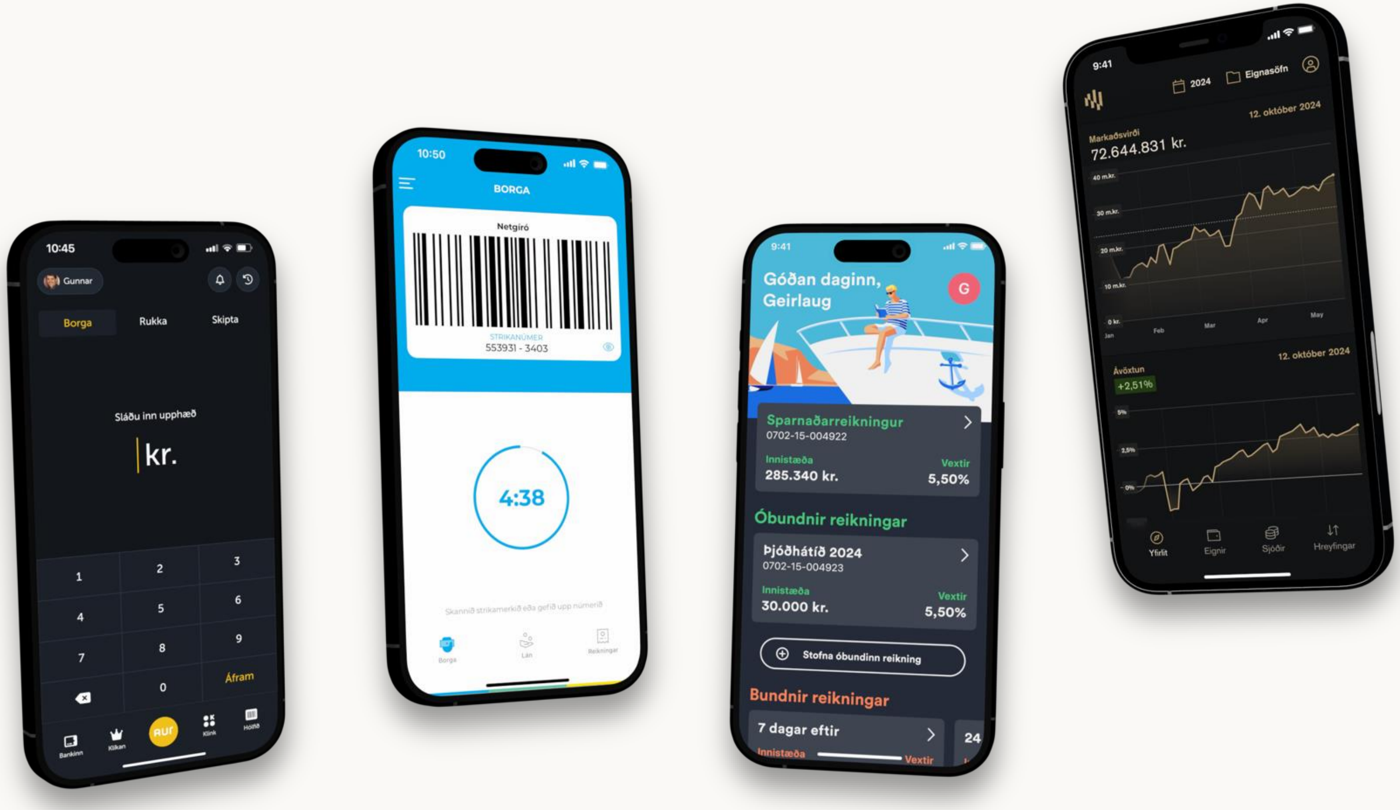
Innovative Product Development Leveraging Unified Infrastructure

Kvika's shared infrastructure enables efficient, customized product offerings that meet diverse client needs

Kvika employs a **multi-brand strategy** to cater to diverse target groups with specialized products, while leveraging a **shared core infrastructure**. This approach enables the delivery of tailored solutions in a cost-efficient manner

Recent Product Launches

- Auður Corporate Deposits
- Straumur Payment Solutions
- Aur Payment Cards
- Kvika verðbréf App

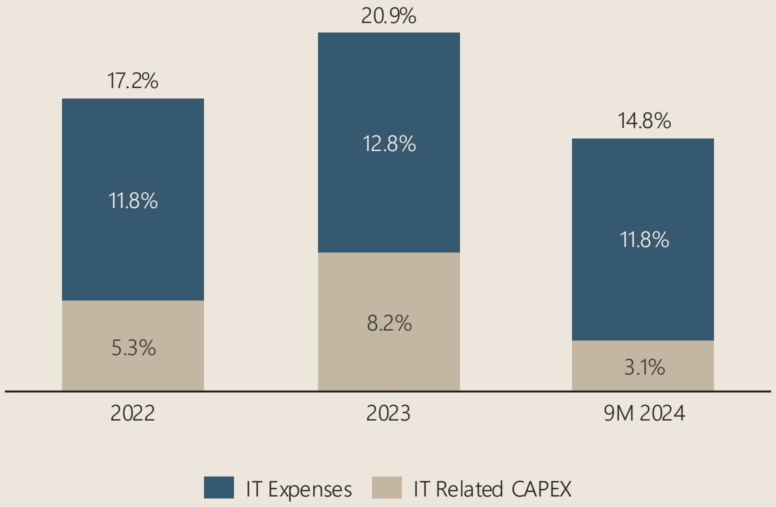


Optimizing IT Investments to Unlock Future Growth

IT CAPEX and OPEX to Core Income*

Of continuing operations / % of core income

Core income is defined as net interest income and net fee and commission income



Strategic Partnership with Moberg

Moberg, a full-service digital solutions provider based in Croatia, is a key partner in Kvika's digital transformation. The strategic outsourcing to Moberg enhances efficiency

40%

stake in Moberg acquired in 2021

50%

of Kvika's software and data development outsourced to Moberg

30/60

FTEs work for Kvika

This partnership enables Kvika to leverage specialized expertise and scale efficiently,

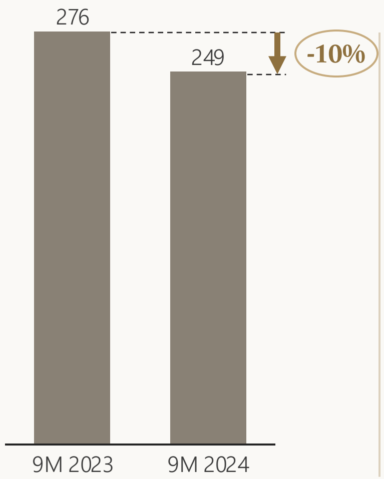
Kvika's strategic IT investments and partnerships will continue to drive cost efficiency and operational scalability

*CAPEX of IT equipment and software & other, refer to note on intangible assets in financial accounts

Commitment to Balancing Growth with Cost Efficiency

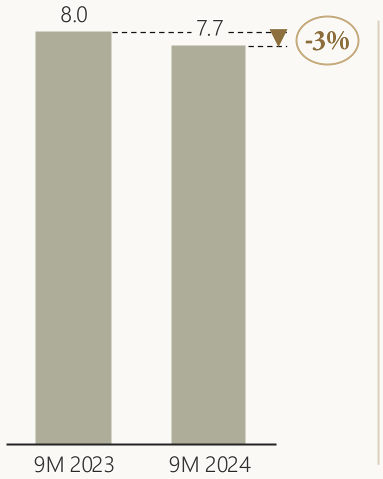
Investments in infrastructure have laid the foundation for sustainable growth while driving operational efficiency

FTEs
Continuing operations



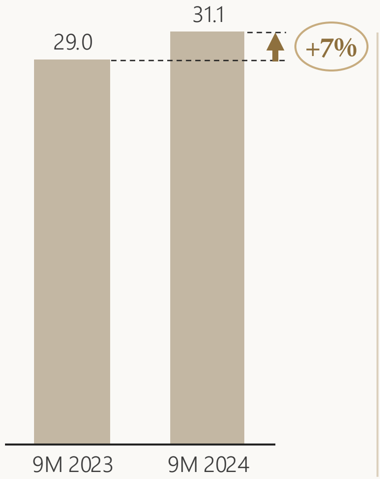
Kvika has streamlined its workforce, reducing FTEs while maintaining operational strength…

Administrative expenses
ISK bn. / continuing operations



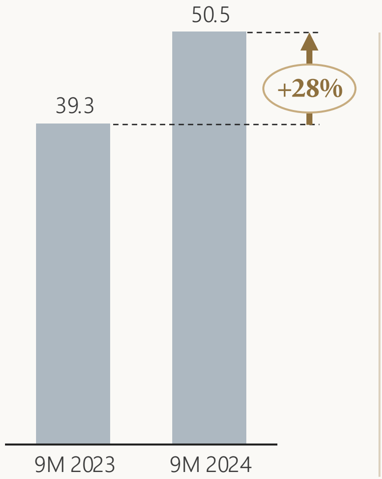
…and stabilized expenses with strategic investments and cost management…

Cost per FTE
ISK m. / continuing operations



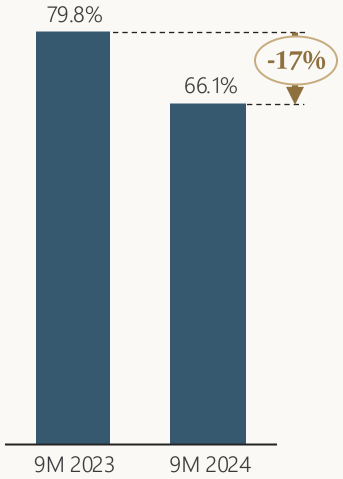
…rising cost per FTEs reflects decrease in number of FTEs and fixed costs being a large portion in the banking sector…

Income per FTE
ISK m. / continuing operations



…which is showcased in a rising income per FTE, demonstrating the impact of a leaner, more efficient workforce…

Cost to core income
(%) / continuing operations



…resulting in a declining cost-to-income ratio, highlighting the success in balancing growth with cost efficiency

Strong and scalable infrastructure in place to support further growth

Break

At a Crossroads

Transitioning Kvika Post Sale of TM

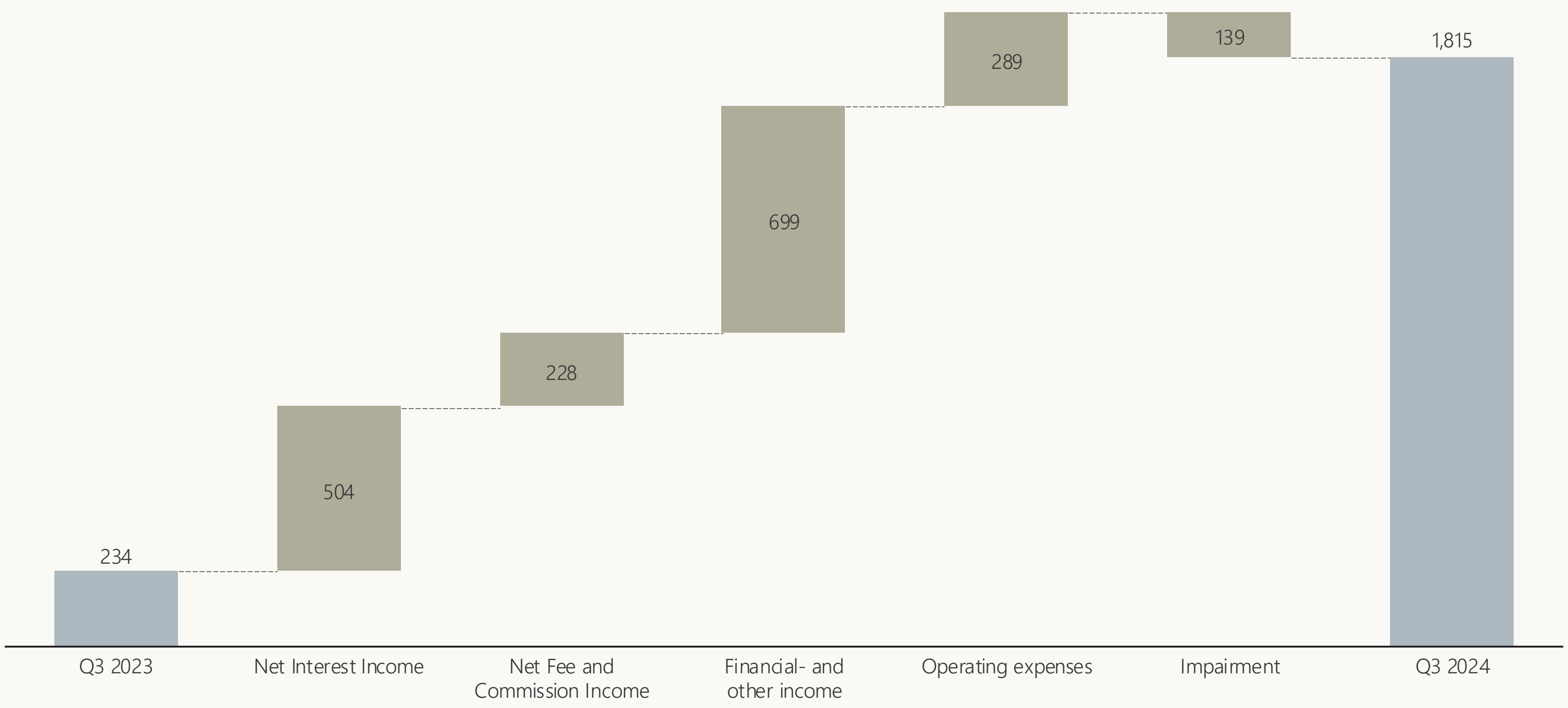
Ármann Þorvaldsson
CEO

Significant Turnaround Achieved in 12 Months

Growth in all income streams while costs are reduced

Profit before tax from continuing operations

ISK m.



Q3 2024 demonstrates a **strong operational rebound** for Kvika over the last 12 months

Revenue growth driven by a significant increase in **net interest income**, attributed to both **loan book expansion** and an **improved net interest margin**. Additionally, net fee and commission income has seen a welcome recovery, alongside a **turnaround in financial income**.

On the cost side, although impairments increase due to loan book growth, the bank **reduced overall costs by ISK 289 million** year-on-year **despite significant inflation** in the period

Current Market Sentiment Supports a Favourable Outlook

Entering a period of easing inflation and rates

Lowering interest rates

Improved Net Interest Margin (NIM) across consumer lending, the UK loan book, and the treasury portfolio.

Enhanced borrower profiles and increased Corporate Finance activity

Strong equity markets

Increased trading volumes in Capital Markets

Rebound in performance-related fees in Asset Management

Improvements in financial income

Compression in credit markets

Current non-ISK funding costs elevated due to challenging market conditions in 2023

Potential to refinance debt in international markets by 2025 at more favorable rates if market conditions remain favorable

Declining inflation

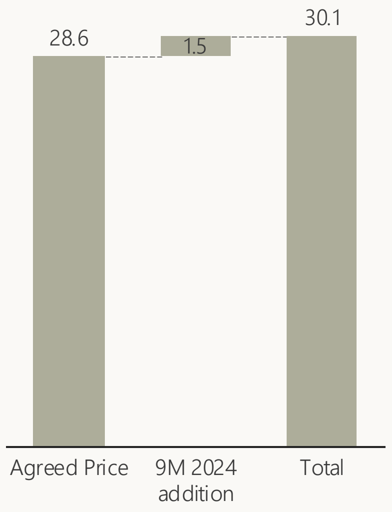
Reduced cost pressures and a gradual leveling of salary increases should help maintain a lean cost base as further rationalization opportunities become limited

A rapid drop in inflation could temporarily impact Net Interest Margin (NIM) due to the bank's CPI-linked long position

Divestment of TM will Transform Kvika's Capital Position

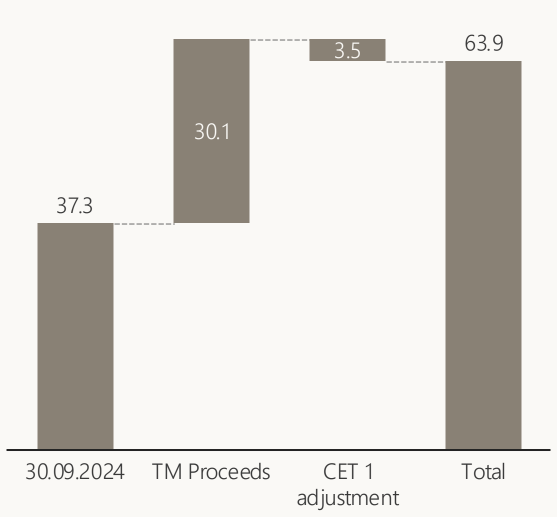
Remains contingent on Competition Authority approval

Purchase price
ISK bn.



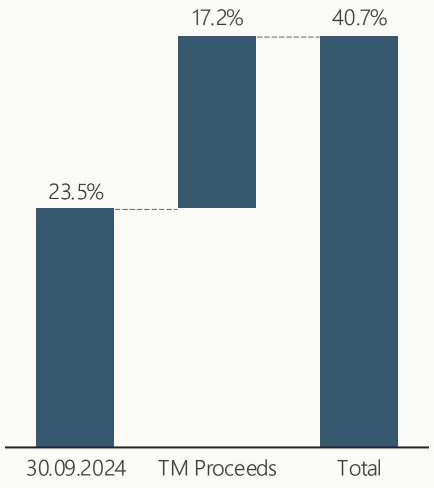
Purchase price **adjustment** due to the first nine months of 2024 amounts to **ISK 1.5 bn.**…

CET1 capital
ISK bn.



…which will nearly **double Kvika's capital** at the divestment date…

Capital adequacy ratio (CAR)
(%)



…resulting in an estimated post-divestment **capital ratio** of **over 40%**

Main provisions of TM purchase agreement:

Purchase price of ISK 28.6 billion, subject to adjustments based on changes in TM's tangible equity between the start of 2024 and the transaction completion date

Estimated purchase price as of 30.9.2024: **ISK 30.1 billion**

The full purchase price will be paid in cash at completion

The acquisition is currently contingent on the approval the **Icelandic Competition Authority**

Kvika Aims to Pay a Significant Dividend

And retain capital for organic growth opportunities

1. Special dividend

ISK 20 billion

2. Retained capital

ISK ~10 billion

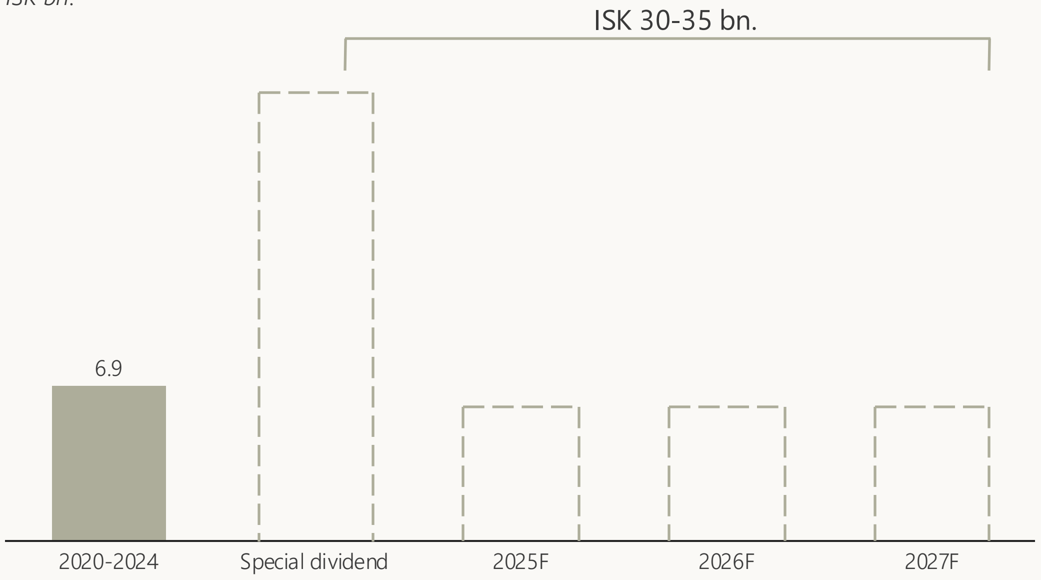
Kvika aims to propose to shareholders a special dividend of ISK 20 billion, subject to the approval of the Icelandic Competition Authority and the completion of the sale of TM.

Increased Room for Shareholder Distribution

While maintaining a strong capital ratio in the medium term

Estimated returns to shareholders

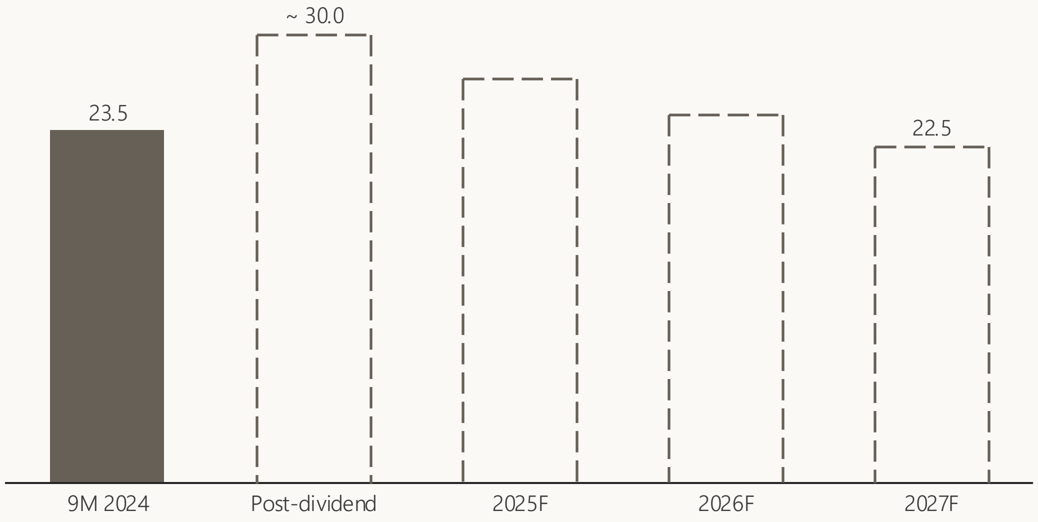
ISK bn.



Strong capital position post TM sale enables the bank to significantly increase returns to shareholders through dividends and share buybacks..

Estimated CAR development

ISK bn.

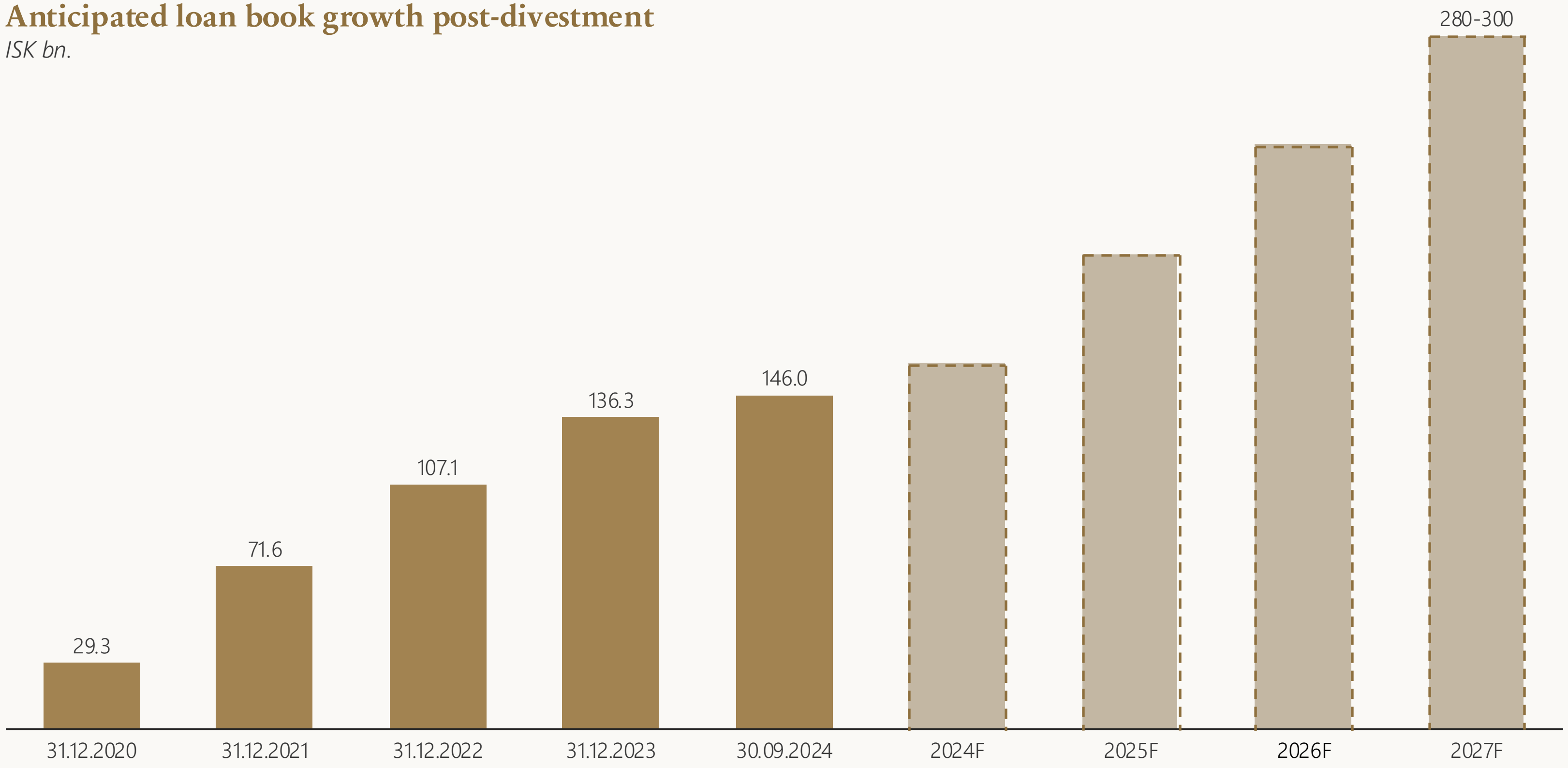


..Though the bank will maintain a very strong CAR level in the short-term as the balance sheet expands post-divestment

Retained Capital Utilized for Considerable Loan Book Growth

In line with market growth rate

Anticipated loan book growth post-divestment
ISK bn.

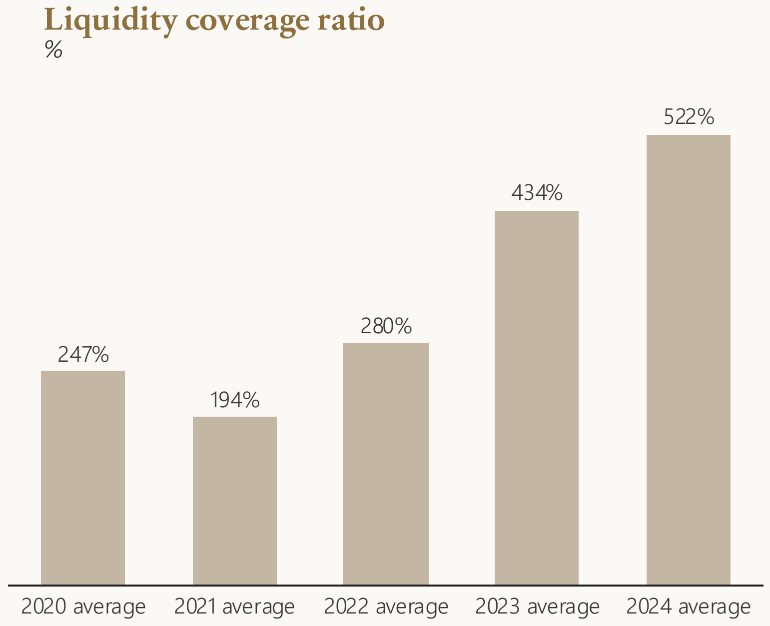


With **increased CET1 capital** and **rising profits**, the bank will have the capacity to nea**rly double its loan book over the next three years**

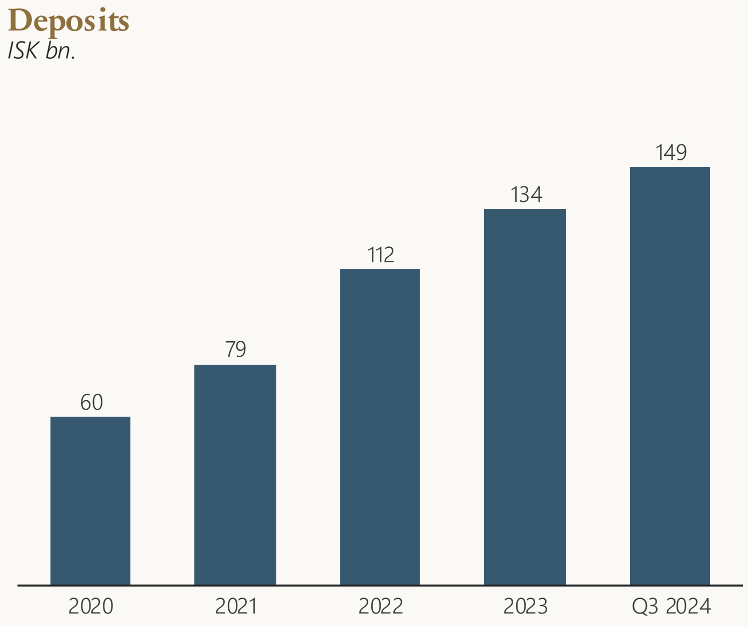
This growth in the loan book will enable the bank to **optimize the deployment of its current liquidity** and **available funding sources**, effectively **reducing the excess liquidity position** held in previous quarters

Backed by a Strong Funding Platform

Strong ISK funding position



Kvika has held an unusually high LCR, essentially overfunding in ISK.…



…as deposits have grown and become more diversified across platforms

Kvika has held a **high liquidity position** in recent quarters as evidenced by its **high liquidity ratio** and **level of liquid asset on balance sheet**

The bank also has a str**ong funding platform** with **issuance capabilities domestically and abroad**

Due to an ample liquidity position the bank **does not anticipate additional funding needs** to meet **balance sheet growth until late 2025**

Kvika expects to build a **covered bond programme** in the **next 18-24 months** and will continue to **issue domestically and abroad** to meet **refinancing needs**

Loan Growth Expected Across All Business Units

Increasing diversification and granularity

Loan Book Breakdown	9M 2024	2027 Target
Vehicle & equipment lending	37%	20-25%
Consumer lending	5%	3-5%
Mortgages	1%	10-15%
UK	26%	20-25%
Corporate lending	33%	30-40%
Loan Book Size	ISK 146 bn.	ISK ~ 300 bn.

Loan book expected to **expand considerably across the portfolio** and **become more diversified**

Growth in **mortgage lending** will **reduce the average risk weight** of the loan book and **lower NPL ratios**

Increase in **principal investments**, **fund investments** and **structured corporate loans** is anticipated but will be managed at a **conservative level**

Business Units Will Simultaneously Pursue Growth in Fee Income

Commercial Banking

- Lending fees to grow in line with loan book growth
- Continued growth in payment fees

Investment Banking

- Improved co-operation between corporate lending and corporate finance to strengthen fee income
- Lending fees to grow in line with loan book growth

Asset Management

- Drive fund raising, strengthened by Kvika´s ability to seed selected funds
- Aim to grow AUM above growth rate of market

UK

- Harpa fund to strengthen fee income base
- Opportunities to grow corporate finance fees
- Lending fees to grow in line with loan book growth

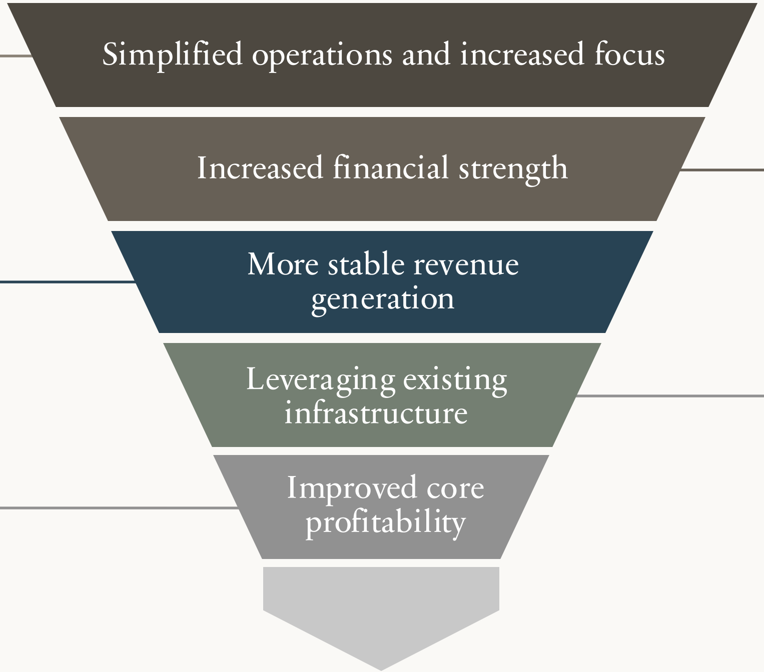
Growth in **fee income** underpinned by **greater financial strength**, emphasis on **cross-selling** and increased **customer focus**

Kvika Group Significantly Strengthened Post-Divestment

The sale of TM simplifies the group's operations and enhances focus

Volatile insurance and investment income replaced by growth in more stable interest income and strengthening of fee generation

A broader product offering and more stable revenue generation, along with relatively lower costs, strengthen core profitability



With the divestment of TM, Kvika significantly strengthens its financial position and gains substantial room for growth and better utilization of infrastructure

Leveraging existing infrastructure to expand revenues without a corresponding growth in costs

...creating optimal conditions for profitable growth

Commercial Banking

Competitive edge through focus on customers

Halldór Snæland

Managing Director – Commercial Banking

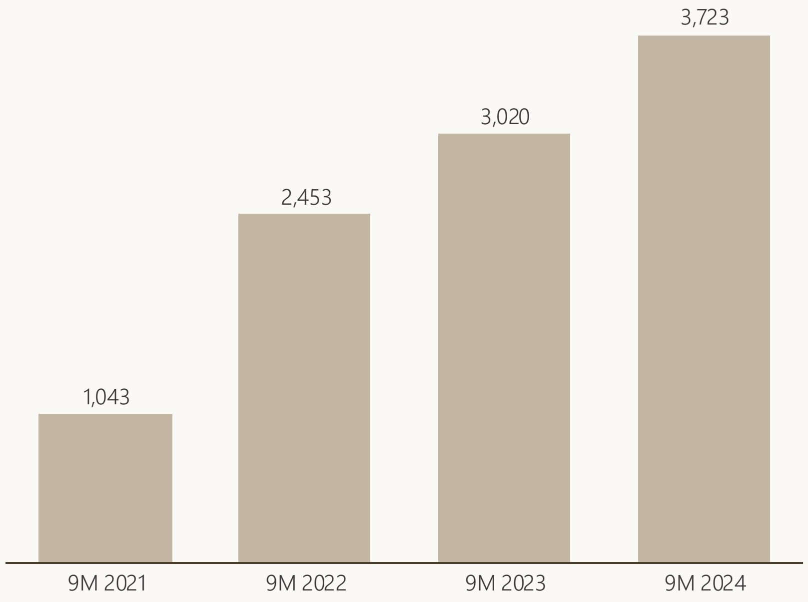
A Journey To Increased Focus On Retail Banking…

Distinct brands driving targeted revenue streams and sustainable growth

auður Dóttir Kviku	**2019:** Auður – Dóttir Kviku launched	115 billion ISK deposits
netgíró	**2021:** Netgíró acquired	>60 billion ISK loan portfolio
AUR	**2021:** Aur acquired	
Lykill	**2021:** Lykill acquired	
straumur	**2023**: Straumur launched	22% market share in payment processing

Net Operating Income - Retail Brands*

ISK m.



Kvika's multi-brand strategy **diversifies retail revenue streams**, targeting distinct customer needs in payments, financing and deposits

*Excluding retail banking revenue under the Kvika brand

...Has Resulted in a Strong Presence in the Market

Across multiple brands and areas of business

Total Deposits

149 bn.

Auður has a 12% market share in individual savings deposits

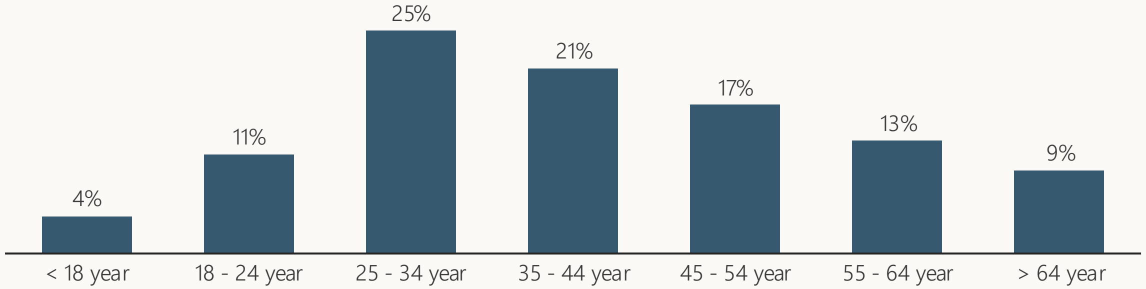
Payments

22%

market share YTD in payment processing

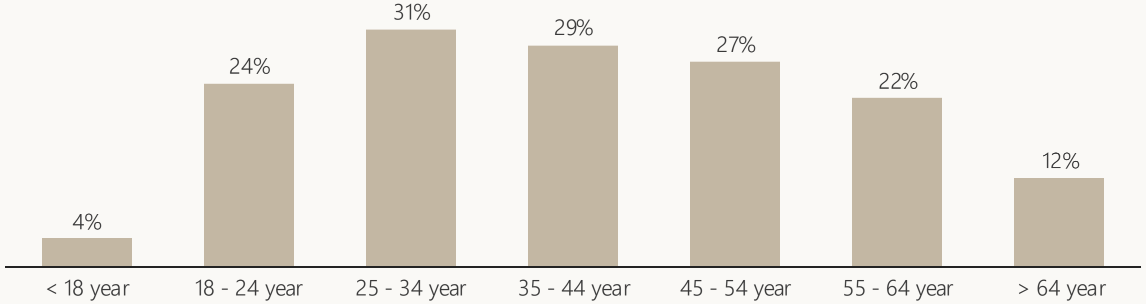
Kvika‘s Customer Age Distribution

% of age group out of total customers



Servicing a Significant Share of the Icelandic Population

% share of population



+80,000

customers

24%

of Icelandic population over the age of 18

Kvika Offers Core Retail Banking Services

Utilizing a multi-brand strategy to cater to diverse customer needs through targeted brands

Core Banking Services

	Deposits	Loans	Payments
auður Dóttir Kviku	✓		
AUR	✓	✓	✓
Lykill		✓	
netgíró		✓	✓
straumur			✓

Multi-Brand Strategy

Auður offers competitive deposit products for individuals and businesses, simplifying savings

Lykill provides vehicle and equipment financing, while **Netgíró** and **Aur** offer consumer loans tailored to diverse needs

Straumur, **Netgíró**, and **Aur** deliver reliable payment processing for seamless transactions

Kvika's multi-brand approach **maximizes efficiency** and **reach**, meeting **diverse financial needs** across deposits, loans, and payments

...Where the Customer is a Key Element

Clear product offering through product specific brands

Customer-centric multi-brand strategy…

Customer Centric Approach

Brand focuses on enhancing the customer journey specific to that product and target group with simple and clear value proposition

Emphasis on digital solutions – no branch network

Diversified Market Reach

Brands can target different customer segments. Each brand can cater to unique market niches, ensuring wider reach

Focused Identity for Each Brand

Each brand has a clear and unique identity corresponding to its product offering and target audience

Helps build brand loyalty and delivering more precise messaging

Competitive Advantage

Multiple brands can challenge competitors in different spaces. Each brand can compete against specific market players, boosting overall competitiveness

…all backed by a unified infrastructure

Our Strategy Leverages Existing Infrastructure

Enables Kvika to capitalize on new opportunities with minimal investment

Digital Infrastructure

Kvika Service Layer
Central reusable services for seamless operations across all brands

Core Systems
Reliable, scalable software solutions that support operational excellence

Data Infrastructure
State-of-the-art data infrastructure development underway

Physical Infrastructure

Compliance	Project Management	Back Office	CRM	Loan Management
Call Center	Payment Networks	Treasury Funding	Risk	Credit Score

Market

straumur · Lykill · AUR · netgíró · KVIKA · audur (Dóttir Kviku) · New opportunities

Auður: Low Investment - High Impact

Delivering Substantial Growth With Minimal Resources

Strategic Growth

Online deposit platform Auður significantly **boosted deposits** since its 2019 launch

115 bn.
in deposits (ISK)

Minimal Investment

Kvika leveraged existing infrastructure, requiring **minimal investment** and **no new hires**

0
new hires required

Efficient Deployment

Main investment in **app development** and **marketing**, ensuring efficient deployment

+50.000
new customers

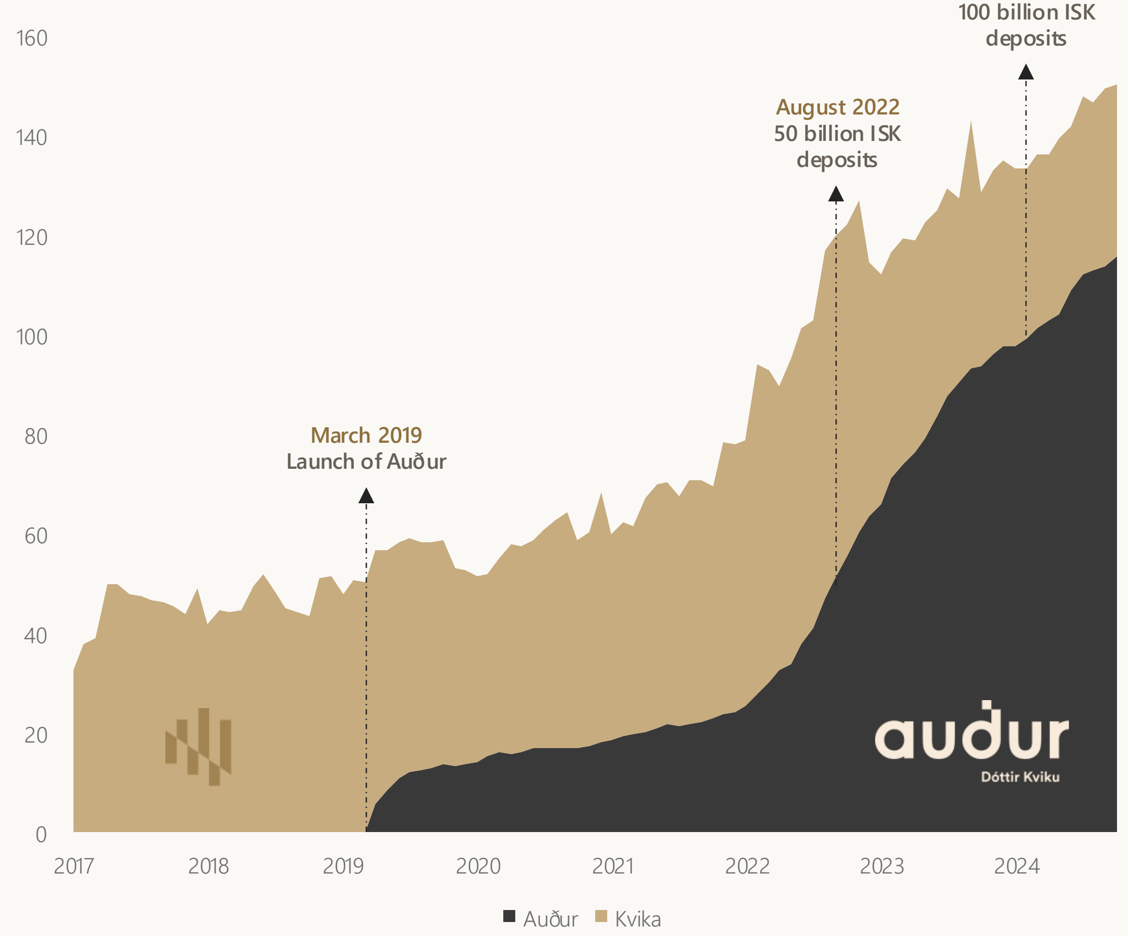
Competitive Edge

Flexible digital platform enables Auður to rapidly introduce new products for different client needs

+400
new legal entities

Development of Deposits

2017-2024 / ISK bn.



Netgíró: Successful Merger and Integration

Successful integration has driven substantial growth, efficiency, and innovation

Key Milestones

2017

Partnership with Netgíró initiated to diversify Kvika's loan portfolio

2021

Acquisition and integration of Netgíró achieved, leveraging Kvika's infrastructure for cost efficiency and product improvement

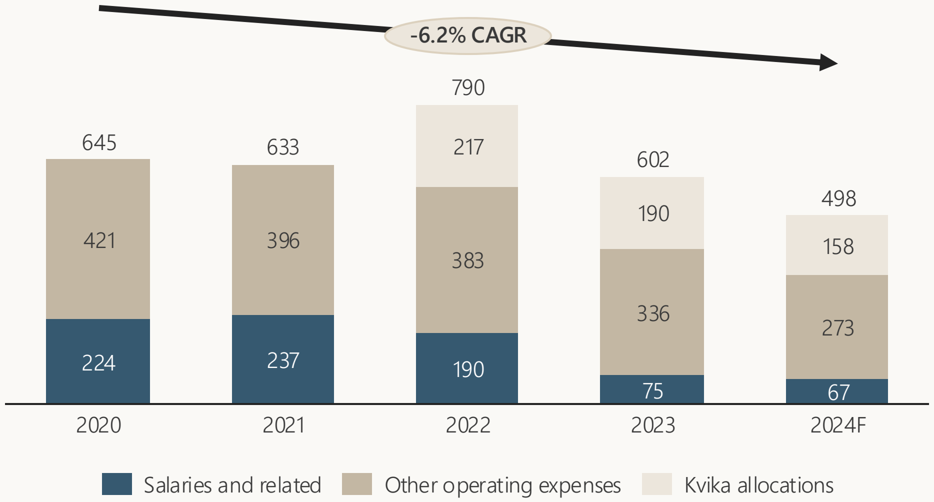
Since the Merger

1. Netgíró's payment solution and products have experienced continued robust growth
2. Profitability has increased with better funding and lower OPEX
3. Based on Netgíró's existing knowledge three spin off companies have emerged

1. Continued growth

13% CAGR
in payment volume since 2020

2. OPEX reduction*



3. Spin off projects/companies have emerged

Skilum moberg straumur

*Netgíró was acquired in 2021 and became part of the Group and its consolidated financial statements at end of Q1 2021

Auður Expands into Mortgage Market

Leveraging Existing Systems and Brand for Cost-Effective Market Entry

Brand Strategy

Leveraging **Auður's** established brand reputation to resonate with target customers

Funding

Strong funding and capital position for buildup of a robust mortgage portfolio

Infrastructure

Current systems enable seamless operations with **minimal additional investment**

Competitive Pricing

Optimized pricing for **market competitiveness** while supporting **RoTE targets**

With a **strong funding position**, proven **infrastructure**, **competitive pricing**, and **Auður's** brand strength, Kvika is well-positioned to grow its **mortgage portfolio** and strengthen its **commercial banking presence**

auður
Dóttir Kviku

Leveraging an agile infrastructure to capitalize on market opportunities, challenge competitors and drive profitable growth

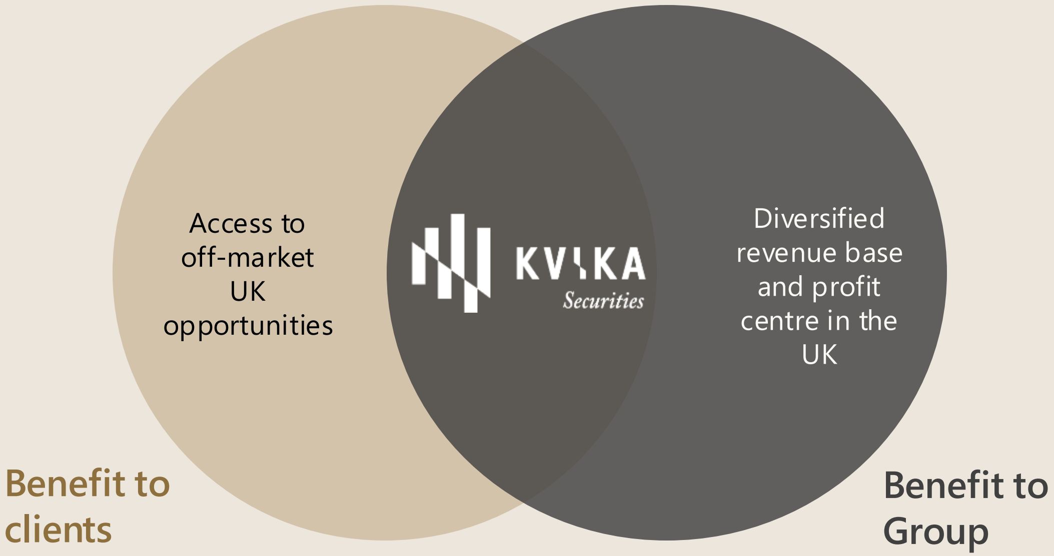
Kvika UK

Turnaround achieved, setting the stage for sustained growth

Richard Beenstock
CEO Kvika Securities

Jon Salisbury
CEO Ortus Secured Finance

Kvika UK



Clearly articulated value proposition

Asset Management	Corporate Finance	Credit (via Ortus)
Asset Management License Small AIFM License	Corporate Finance License	Property-secured lending

Clearly defined mission

Service Offering Built on Three Pillars

Asset Management

ISK 6.7bn

Assets under management

- Three single investment vehicles under management
- Upcoming launch of Harpa Capital Partners (Harpa), building on success of investment vehicles
- Principal investments part of proposition
- Approach each transaction with principal mindset and with the discipline of credit operations

Corporate Finance

ISK 50bn+

Value transacted

- Building bridges between Iceland and the UK
- Providing services across multiple sectors
- Strong fit with Asset Management operations

Credit

ISK 37.5bn

Property-secured loan book

- Property secured lending in the UK
- Sizable player in a profitable market
- Lent over ISK 200bn since foundation
- Conservative lending strategy with zero capital losses to date

25 Professionals

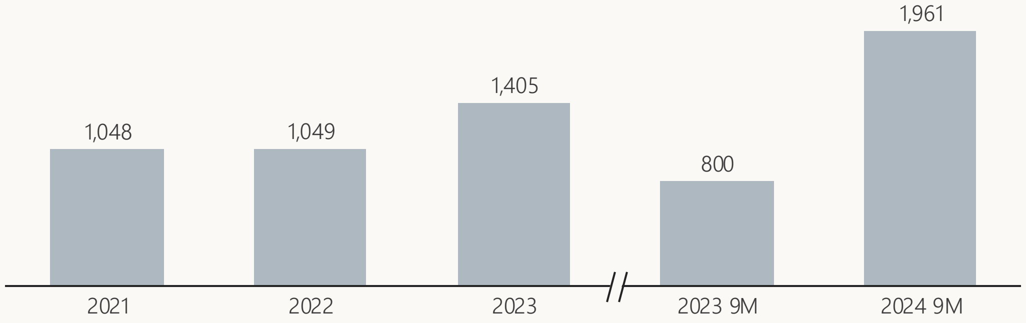
Performance Highlights Strengthened Loan Book Position and Reorganisation

Highlights

- Significant performance turnaround achieved in 2024
- Net interest income more than doubled year-on-year, driven by strong loan book growth and a higher share of floating rate loans, boosting net interest margin and net fee and commission income
- Cost-saving initiatives launched in late 2023 aim to reduce headcount, cut office costs, and enhance back-office synergies within the Group
- With UK policy rates having peaked, opportunities to lower funding costs emerge

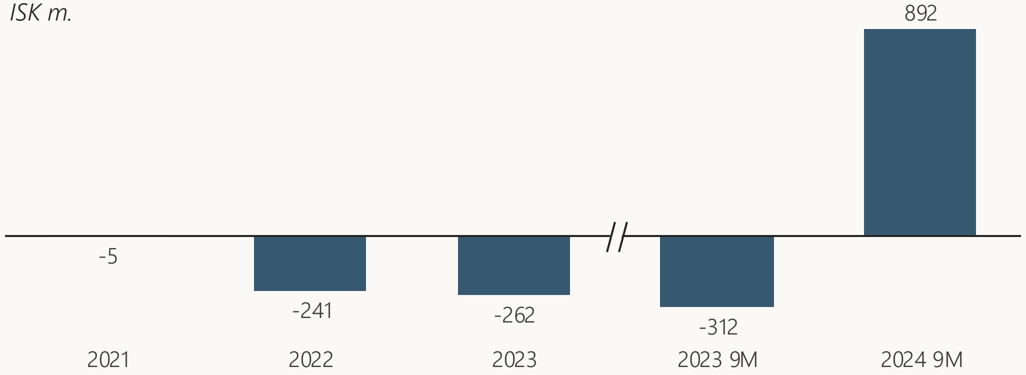
Net operating income

ISK m.



Profit before tax

ISK m.



An Established and Well-Regarded Lender Offering Competitive Products

Highly competent team with proven track record
Ortus was founded in 2013 as the UK lending landscape changed post financial crash

Sizable player in a profitable market
ISK 37.5bn well diversified loan book, with a focus on short term property loans earning gross interest of ~12%

Highly conservative lending strategy
All lending is secured against property at sensible leverage levels
Over ISK 200bn lent since 2013 with zero capital losses

London, Manchester, Glasgow and Belfast

100%
Share of book secured against property

98%
Share of book secured as first lien

ISK 37.5bn
Total Loan Book

ISK 250m
Average loan size

ISK 200bn+
Lent out since founding

~39%
Top 10 concentration

ISK 0.0
Capital losses to date

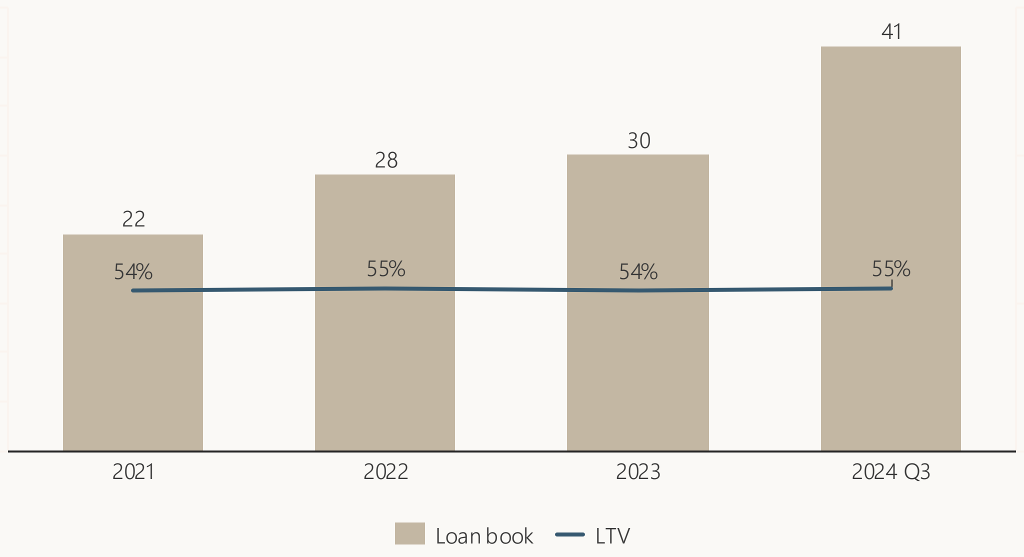
~12%
Average gross interest

Ortus Provides First Charge Property-Secured Loans

	Residential	Commercial
Lien	Invariably **first charge** security	
Loan size	£100k – £15m	£100k – £15m
Terms	6 – 60 months	6 – 36 months
Security	Properties such as **houses** and **flats or** specialised such as **blocks of flats** or **house shares**. **No development risk is taken**	Properties such as **commercial units** and **small hotels**, or specialist such as **large hotels** and **care homes**. **No development risk is taken**
Borrowers	Typically **UK SMEs** or **professional investors** **Personal guarantees** from **key individuals** are usually taken	

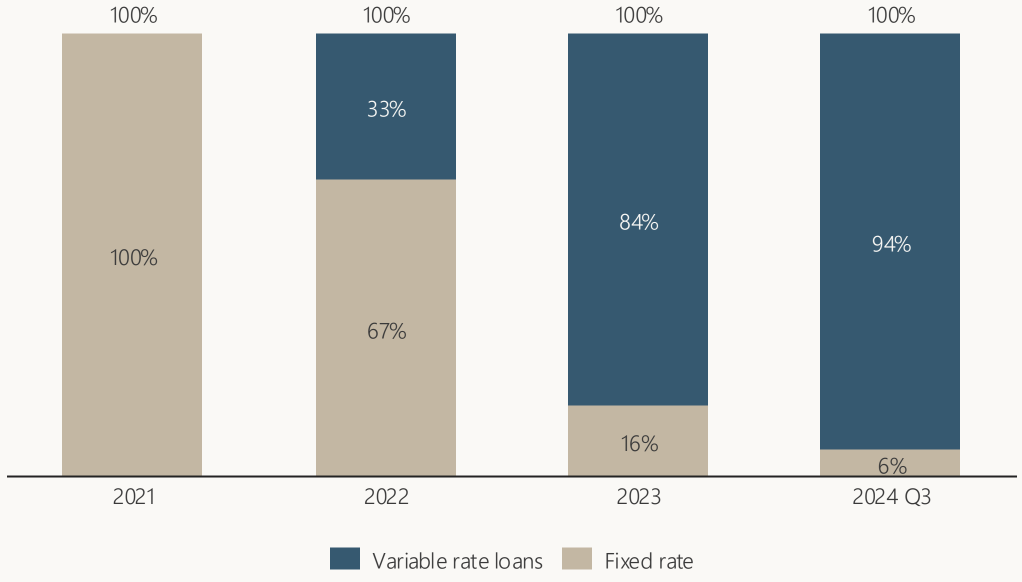
The Loan Book has Expanded While Upholding Discipline ..

Loan book
ISK bn.



The **loan book has grown**, while the **loan-to-value (LTV) ratio** has consistently **remained around 55%.** There is substantial **capacity for further growth**, supported by the **disciplined approach** that forms the foundation of our lending operations

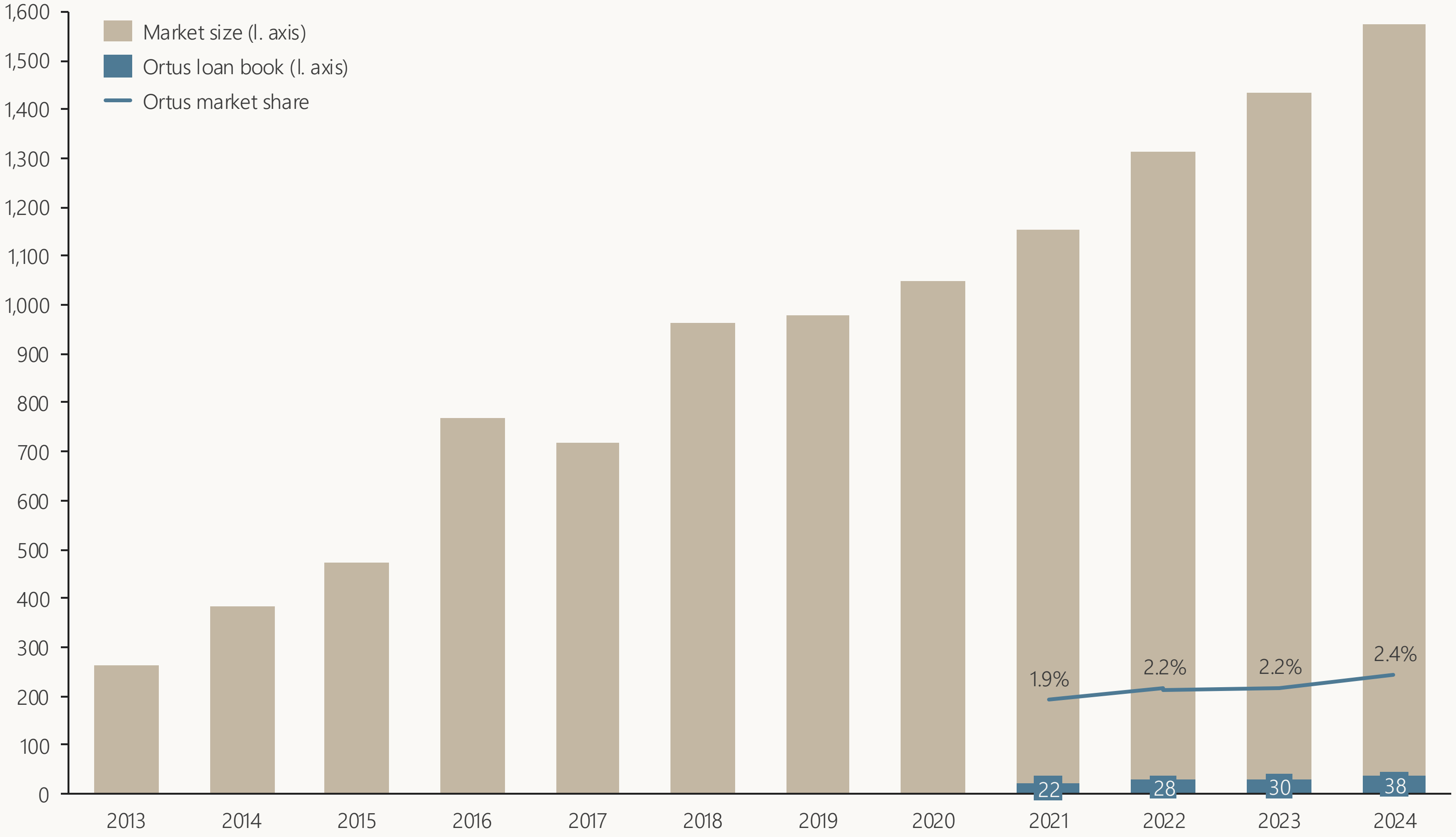
Lending rates by type
(%)



A key driver of profitability has been the **increased focus on variable rate loans**, particularly as UK operations faced challenges during recent rate hikes. This emphasis on variable rate lending enhances **scalability for growth** while effectively **reducing interest rate risk**

.. and There is Still Significant Potential for Further Growth Without Compromising Quality

Size of UK bridge lending market
ISK bn.



Source: Mintel and Management estimates

Market Opportunity

- Temporary financing solutions offering higher APR
- Gap in the market left by traditional lenders
- Highly fragmented
- Growing rapidly, with a CAGR of 18% since 2013
- Opportunities for gaining market share
- Plenty of room to grow without giving up quality and margin

Valuable and Disciplined Infrastructure

Sourcing	Underwriting	Portfolio management	Funding
Established and reliable distribution network	Highly skilled credit team supported by robust systems and processes	Intensive post-drawdown loan monitoring/management	Access to a diverse range of funding channels, including off-balance sheet solutions

The Ortus Lending Engine

Strong synergies exist between Ortus' distribution, processes and systems and the bank's funding capabilities

Significant Market Opportunity Across the Asset Classes

Credit
Ortus Secured Finance

- Strong growth over the past decade
- Loan book of £229 million and zero capital losses
- Disciplined approach maintained since inception

Continue gaining market share in a growing market while applying the rigorous credit discipline established from day one

Hybrid
Asset Management

- Debt and equity working together
- Strong downside protection and flexibility in offering
- Attractive risk and reward profile for investors not constrained by traditional credit or equity categories

Equity
Asset Management

- Efficient capital deployment through scale and investment partner network in the UK lower middle market
- Strong growth potential and attractive multiples identified
- Focus on building and growing companies, transition into the upper middle market for increased multiple expansions

Hybrid and equity present attractive opportunities for the Asset Management operations, balancing downside protection with equity returns

Strong track record in managing single-vehicle investments will be formalised through fund management under Harpa Capital Partners

Strategic Journey in Growing Assets Under Management

The imminent launch of Harpa Capital Partners leading the way in the short term

By building a solid foundation through the sourcing and deployment of single-vehicle investments and securing capital for individual opportunities, we have established a strong track record

Supported by robust infrastructure and essential licenses, this creates a credible base for launching and managing larger funds, positioning us to scale effectively

New fund initiatives leading to growth

Upcoming launch of **Harpa Capital Partners** a £20-30m. private equity fund investing in the UK lower to middle market

Specialised projects leading to growth

Target areas with competitive advantages, build niche investments through relationships, and leverage licenses and infrastructure to support new initiatives with UK partners, including IFAs and family offices

Harpa's Investment Arena is Characterised by Lower Entry Multiples and Network Driven Transactions

Upper-middle market

- Large number of bidders and abundant liquidity
- Competitive bidding and high valuation multiples
- Opportunity to migrate opportunities over the mid-market border during holding period via EBITDA growth

Average EV/EBITDA Multiple*:

10.7x

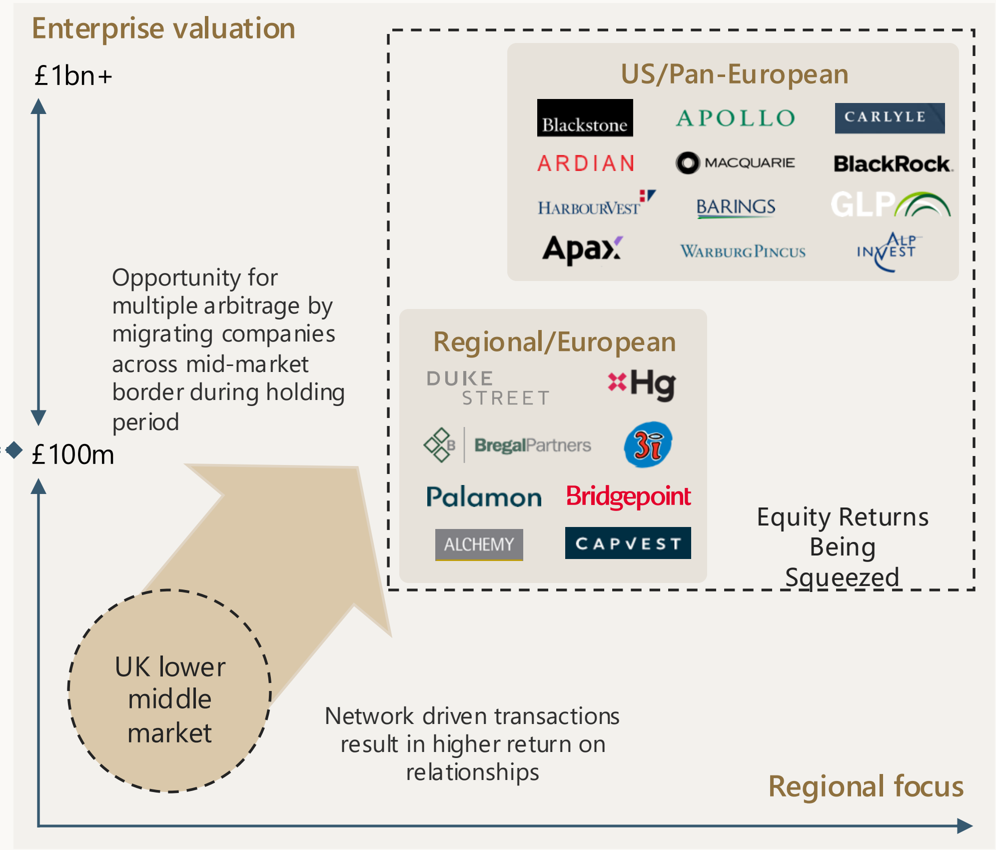
Lower-middle market

- Network driven and often off-market transactions (higher "returns on relationship")
- Less competitive sourcing means more attractive entry at lower valuations
- Companies typically have greater growth potential

Target EV/EBITDA Multiple**:

3x-5x

Competitive Positioning of Private Equity Institutions



*Average 2022 UK PE Buyout multiple, KPMG Mid-Market PE review 2022
**Typical valuations on lower-middle market deals screened by investment team

Robust lending operations with strong growth opportunities in UK-based asset management

Summary

Ármann Þorvaldsson
CEO

Financial Targets Remain Unchanged..

Profitability Target:

>20%

RoTE

Pre-tax return on tangible equity target remains >20% through the economic cycle

Capital Resilience:

2-4%

CAR buffer

CAR buffer will deviate from target in 2025 as the balance sheet stabilizes

Shareholder Returns:

25%

Dividend policy

Kvika anticipates to return at least 25% of profit before tax to shareholders

Post-Divestment Growth and Stability Considerations:

Capital from divestment will drive significant growth, with **returns expected** to **surpass the bank's needs for organic expansion**

As balance sheet stabilizes, Kvika anticipates to **deviate** from its **dividend policy** as needed to support this transition

..Subject to Review as the Business Reaches Stability

Driver	Financial Targets	Key Considerations
Kvika anticipates that **targets will be reassessed once the business stabilizes** post-divestment, as a growing loan book and enhanced revenue stability are expected to **shift operational focus** and **reshape the business profile**	**Profitability** →	As increased capital drives growth post-divestment, the bank may stabilise at a new profitability level. A reduction in intangible assets following divestment raises the consideration of targeting return on equity (RoE) instead of return on tangible equity (RoTE). Further, a more stable revenue base, less reliant on financial income, may justify shifting the focus from a pre-tax to a post-tax profitability target
	CAR buffer →	Although a solid capital base remains the cornerstone of Kvika's operations, the anticipated growth in the balance sheet is expected to lower earnings volatility and improve the group's overall risk profile. As a result, it may be prudent to reassess and potentially reduce the management buffer on capital requirements
	Dividends →	As profitability increases and stabilizes, shareholder distribution capabilities will expand as a smaller share of total capital will be required to drive strategic growth. This shift will enable the bank to maintain a strong capital base while allocating resources efficiently
	New targets →	As revenues stabilize, it may be prudent to consider introducing a cost-to-income ratio target. This metric could help reinforce cost discipline and efficiency, ensuring that operational expenses remain aligned with sustainable revenue growth while supporting long-term profitability

Highlights

Return to Profitability Targets in Q3

Continued Innovation in Products and Services

Solid Infrastructure and Efficient Cost Base

Favourable economic outlook

Profitable Grow[illegible] Ahead in all [illegible]iness Units

Record payout to shareholders

Increased Financial Strength

Highlights

Return to Profitability Targets in Q3

Record payout to shareholders

Favourable economic outlook

Increased Financial Strength

Solid Infrastructure and Efficient Cost Base

Profitable Growth Ahead in all Business Units

Continued Innovation in Products and Services

Highlights

Profitability

Growth

Financial Strength

Q&A

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TM