Føroya Banki

Interim Report

Q3 2025

Contents

MANAGEMENT'S REPORT

Financial highlights and ratios - Føroya Banki Group

Highlights DKK 1,000	Q1-Q3 2025	Q1-Q3 2024	*Index* 25 / 24	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
Net interest income	293,745	339,232	87	94,386	101,149	98,209	103,019	111,609
Dividends from shares and other investments	14,407	11,997		0	14,259	148	0	0
Net fee and commision income	63,926	58,237	110	22,125	20,639	21,162	20,515	19,354
Net interest and fee income	372,078	409,466	91	116,511	136,047	119,520	123,534	130,963
Net insurance result	47,464	40,284	118	13,447	23,297	10,720	7,463	18,450
Interest and fee income and income from insurance activities, net	419,543	449,750	93	129,958	159,344	130,240	130,997	149,414
Market value adjustments	31,293	33,287	94	8,139	10,090	13,064	12,056	26,442
Other operating income	12,577	7,806	161	2,990	6,682	2,905	1,889	3,092
Staff costs and administrative expenses	192,369	182,440	105	67,027	62,462	62,880	65,929	62,476
Impairment charges on loans and advances etc.	-1,636	10,328		-8,507	1,761	5,110	-11,400	-5,619
Net profit	**217,675**	**238,084**	**91**	**63,679**	**93,067**	**60,930**	**72,342**	**96,047**
Loans and advances	9,598,042	9,072,315	106	9,598,042	9,694,764	9,270,369	9,086,392	9,072,315
Bonds at fair value	1,492,287	1,348,484	111	1,492,287	1,496,232	1,741,261	1,757,200	1,348,484
Intangible assets	4,591	5,558	83	4,591	4,834	4,679	5,084	5,558
Assets held for sale	2,207	0		2,207	2,207	2,207	2,207	0
Total assets	15,170,186	14,055,478	108	15,170,186	14,636,771	14,800,460	14,511,644	14,055,478
Amounts due to credit institutions and central banks	837,987	962,792	87	837,987	815,064	801,355	823,455	962,792
Issued bonds at amortised cost	901,052	984,002	92	901,052	898,966	803,231	981,190	984,002
Deposits and other debt	10,803,028	9,353,549	115	10,803,028	10,382,526	10,298,759	10,003,348	9,353,549
Total shareholders' equity	1,944,670	2,003,695	97	1,944,670	1,880,992	1,787,925	2,076,037	2,003,695

Ratios and key figures	Sept. 30 2025	Sept. 30 2024	Sept. 30 2025	June 30 2025	March 31 2025	Dec. 31 2024	Sept. 30 2024
Solvency							
Total capital, incl. MREL capital, ratio, %	36.6	37.9	36.6	35.9	36.0	36.3	37.9
Total capital ratio, %	24.5	26.5	24.5	24.0	24.9	25.2	26.5
Tier 1 capital ratio, %	23.1	25.1	23.1	22.7	23.5	23.8	25.1
CET 1 capital	23.1	25.1	23.1	22.7	23.5	23.8	25.1
RWA, DKK mill	7,412	6,993	7,412	7,545	7,271	7,180	6,993
Profitability							
Return on shareholders' equity after tax, %	10.8	12.4	3.3	5.1	3.2	3.5	4.9
Cost / income, %	42.2	40.5	43.0	36.6	48.3	39.6	33.2
Cost / income, % (excl. value adjustm. and impairments)	45.6	41.1	52.1	37.7	49.2	51.8	42.7
Return on assets	1.4	1.7	0.4	0.6	0.4	0.5	0.7
Market risk							
Interest rate risk, %	0.8	1.0	0.8	0.9	1.2	1.2	1.0
Foreign exchange position, %	0.3	0.8	0.3	0.9	0.6	0.8	0.8
Foreign exchange risk, %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liquidity							
Liquidity Coverage Ratio (LCR), %	294.5	302.2	294.5	259.7	261.1	337.4	302.2
Net Stable Funding Ratio. (NSFR), %	163.4	156.6	163.4	158.3	151.0	154.5	156.6
Credit risk							
Change in loans and advances, %	5.6	2.1	-1.0	4.6	2.0	0.2	0.5
Gearing of loans and advances	4.9	4.5	4.9	5.2	5.2	4.4	4.5
Impairment and provisioning ratio, end of period, %	1.7	1.9	1.7	1.8	1.8	1.8	1.9
Write-off and provisioning ratio, %	0.0	0.1	-0.1	0.0	0.0	-0.1	-0.1
Shares							
Earnings per share after tax (nom. DKK 20), DKK	22.7	24.9	6.7	9.7	6.4	7.6	10.0
Market price per share (nom. DKK 20), DKK	195.0	152.0	195.0	188.0	171.0	162.0	152.0
Book value per share (nom. DKK 20), DKK	203.1	209.3	203.1	196.5	186.8	216.8	209.3
Other							
Number of full-time employees, end of period	202	206	202	199	204	207	206

Financial Review

"We're pleased to present a third quarter profit of DKK 80m before tax, a slight improvement on our original profit guidance. The positive performance was driven by strong customer activity and positive momentum across several business areas. Costs were in line with our full-year guidance, and we noted with satisfaction that our customers are generally financially robust, as is reflected in a reversal of impairment charges for the quarter. We maintain our guidance for the rest of the year," said Føroya Banki CEO Turið F. Arge.

Q3 2025 Highlights

Adjusted Income statement, Group

DKKm	Q1-Q3 2025	Q1-Q3 2024	*Index*	Q3 2025	Q2 2025	*Index*	Q1 2025	Q4 2024	Q3 2024
Net interest income	237	269	*88*	77	84	*91*	76	78	87
Net fee and commission income	60	54	*111*	21	19	*110*	20	19	18
Net insurance income	56	46	*122*	14	27	*53*	16	10	20
Other operating income (less reclassification)	48	32	*151*	11	24	*44*	13	9	10
Total operating income	**402**	**401**	***100***	**123**	**154**	***80***	**125**	**117**	**135**
Operating costs[1]	210	202	*104*	73	68	*107*	69	72	69
Profit before impairment charges	**192**	**200**	***96***	**50**	**86**	***58***	**56**	**46**	**66**
Impairment charges, net	-2	10	*-16*	-9	2	*-483*	5	-11	-6
Operating profit	**194**	**189**	***102***	**58**	**84**	***69***	**51**	**57**	**72**
Investment portfolio earnings[2]	77	106	*73*	22	30	*73*	25	31	48
Profit before tax	**271**	**295**	***92***	**80**	**115**	***70***	**76**	**88**	**119**
Operating costs/income, %	52	50		59	44		55	61	51
Number of FTE, end of period	202	206	*98*	202	199	*101*	204	207	206

1 Comprises staff costs, administrative expenses and amortisation, sector costs, depreciation and impairment charges (less reclassification to non-recurring items).
2 Incl. net income from investments accounted for under the equity method (excl. sector shares).

Income statement

The following comments are generally stated relative to Q2 2025. Due to seasonal variations, comments provided on the insurance segment relate to Q3 2024.

Operating income

The Føroya Banki Group generated operating income of DKK 123m in Q3 2025, DKK 31m lower than in Q2. The decrease was due to falls in net interest income, net insurance income and other operating income and was similar to the levels seen in Q1.

Net interest income

Net interest income was DKK 77m in Q3 2025, a fall of DKK 7m compared to Q2 2025, driven by an increase in interest expenses related to new MREL, higher expenses related to increased deposits, as well as pressure on interest margins.

Net fee and commission income

Net fee and commission income amounted to DKK 21m in Q3 2025, DKK 2m higher than in Q2.

Net insurance income

Net insurance income was DKK 14m in Q3 2025, DKK 6m lower than in Q3 2024. The fall was due to higher claims in Q3 2025 compared to the same period in 2024. Compared to Q2 2025 net insurance income was down DKK 13m due to lower claims in Q2 relative to other periods.

Other operating income
Other operating income was DKK 11m in Q3 2025, down DKK 13m on the previous quarter. The Q2 figure was extraordinarily high due to one-off factors, including the sale of the Bank's IT-platform provider SDC, changes in the valuation of the Bank's sector shares and the sale of one of the Bank's domicile properties.

Operating costs
Operating costs amounted to DKK 73m in Q3 2025, DKK 5m higher than in Q2 2025. The main driver of the increase was an increase in IT-costs. For the period Q1-Q3 2025, total costs were marginally lower than originally projected.

Profit before impairment charges
Profit before impairment charges was DKK 50m in Q3 2025 compared to DKK 86m in Q2 2025.

Impairment charges
Net impairment amounted to a reversal of DKK 9m in Q3 2025 compared to impairment charges of DKK 2m in Q2 2025. The Bank remains of the opinion that the credit quality of its overall portfolio is strong and strengthening. The management provision taken in relation to the ongoing economic uncertainty as well as uncertainty in relation to the Bank's impairment calculation and modelling was increased by DKK 15m in Q3 to DKK 116.5m.

Operating profit
The resulting operating profit was DKK 58m in Q3 2025, DKK 26m lower than the DKK 84m seen in Q2 2025.

Investment portfolio earnings
Investment portfolio earnings amounted to DKK 22m in Q3 2025, which was DKK 8m lower than in Q2 2025. The figure was mainly impacted by lower returns on the Bank's bond holdings.

Profit before tax
Profit before tax in Q3 2025 was DKK 80m, DKK 34m lower than in the preceding quarter, which saw a pre-tax profit of DKK 115m.

Profit before tax for the first nine months of the year totalled DKK 271m, slightly lower than the pre-tax profit of DKK 295m seen same period in 2024.

The Bank is pleased with both the increased operating income as well as the relatively low increase in operating costs in the first nine months of 2025 compared to the same period in 2024. The fall in net interest income in Q1-Q3 2025 was more than outweighed by rising net fee and commission income, net insurance income and other operating income.

Balance sheet
Føroya Banki Group's total assets at 30 September 2025 amounted to DKK 15.2bn, up DKK 0.7bn compared to 31 December 2024. Loans and advances were DKK 9.6bn, DKK 512m (up 6%) higher than at 31 December 2024. Deposits were DKK 10.8bn, up DKK 800m (up 8%) compared to 31 December 2024. Liquidity invested in Danish mortgage bonds and Danish government bonds amounted to DKK 1.5bn, a decrease of DKK 265m compared to 31 December 2024. Shareholders' equity at 30 September 2025 amounted to DKK 1,945m, down

DKK 131m, net compared to 31 December 2024 due to dividend payments in the amount of DKK 350m.

Capital and liquidity

At 30 September 2025, the Group's CET 1 capital ratio was 23.1%, the Tier 1 capital ratio was 23.1% and the Total capital ratio was 24.5%. The Total capital ratio, incl. MREL capital, was 36.6%. The net profit for the period Q1-Q3 2025, amounting to DKK 217.7m, is not included in the calculation of the capital ratios.

Regarding the capital and solvency calculation, the Bank notes the contingent liability of up to approximately DKK 30m, as detailed in note 13. The contingent liability concerns a dispute with the Danish tax authorities regarding the determination of the taxable gain on the sale of the Bank's Danish operations in 2021.

The Bank notes that CRR3 will take effect for the Bank on 1 January 2026. The overall effect on REA is not expected to be negative, with a slight fall in REA estimated based on the Bank's current asset composition and on operational risk. Risk-weighted items related to credit risk are expected to fall slightly due to the Bank's large portfolio of low-LTV home loans. Risk-weighted items related to operational risk are expected to be lower, and risk-weighted items related to market risk are expected to be unchanged due to the postponed implementation of the Fundamental Review of the Trading Book (FRTB).

The Group's liquidity indicator was 234.3% on 30 September 2025, well above the requirement of 100%. The Group's LCR at 30 September 2025 was 294.5%, also well above the requirement of 100%. The Group's Net Stable Funding Ratio (NSFR) was 163.4% at 30 September 2025, well above the requirement of 100%.

Compliance with the Danish FSA Supervisory Diamond

The Supervisory Diamond			
	Q3 2025	**Q3 2024**	**FSA limit**
Sum of large exposures	140.7%	146.7%	< 175%
Liquidity indicator	234.3%	266.4%	>100 %
Loan growth	5.8%	3.2%	< 20 %
Property exposure	10.9%	12.1%	< 25 %

At 30 September 2025, the Group was compliant with all Supervisory Diamond requirements set by the FSA.

Events after the balance sheet date

No events have occurred since 30 September 2025 that are deemed to have a significant impact on the Group's financial position.

Guidance for 2025

The Group announced its guidance for 2025 on 28 January when guidance for the year was for a net profit in the DKK 210-240m range, return on equity between 10.4% and 11.9% and impairment charges at 0.30 pp of loans.

On 15 July 2025, the Group raised its net profit guidance to be in the DKK 235-265m range. The upwards revision reflects the strong insurance results, growth in business activity, robust credit quality of the loan portfolio as well as the above-mentioned one-off income.

The guidance is subject to uncertainty, including uncertainty related to changes in interest rates, impairment charges on loans and advances, market value adjustments and macroeconomic developments in the markets in which the Group operates.

Adjusted results

Note	Adjusted Income statement Q1-Q3 2025, Group, DKK 1,000	Income statement	Restatement	Restated income statement
1, 4	Net interest income	293,745	-56,345	237,400
2, 5	Net fee and commission income	78,334	-18,047	60,287
4, 6, 7	Net insurance income	47,464	8,904	56,368
2, 3	Other operating income	12,577	35,290	47,867
	Operating income	**432,119**	**-30,198**	**401,921**
5, 6	Operating costs	198,892	11,000	209,892
	Profit before impairment charges	**233,227**	**-41,198**	**192,029**
	Impairment charges	-1,636	0	-1,636
	Operating profit	**234,863**	**-41,198**	**193,665**
1, 3, 7	Investment portfolio earnings	35,697	41,198	76,895
	Profit before tax	**270,560**	**0**	**270,560**

Note	Adjusted Income statement Q1-Q3 2024, Group, DKK 1,000	Income statement	Restatement	Restated income statement
1, 4	Net interest income	339,232	-70,551	268,681
2, 5	Net fee and commission income	70,234	-15,735	54,499
4, 6, 7	Net insurance income	40,284	6,051	46,335
2, 3	Other operating income	7,806	23,990	31,796
	Operating income	**457,556**	**-56,245**	**401,311**
5, 6	Operating costs	190,171	11,504	201,675
	Profit before impairment charges	**267,385**	**-67,749**	**199,636**
	Impairment charges	10,328	0	10,328
	Operating profit	**257,057**	**-67,749**	**189,308**
1, 3, 7	Investment portfolio earnings	37,896	67,749	105,645
	Profit before tax	**294,953**	**0**	**294,953**

Note	Restatements made to the income statement, DKK 1,000	Q1-Q3 2025	Q1-Q3 2024
1	Reclassification of interest income related to bonds from the item Interest income to Investment portfolio earnings.	46,736	72,615
2	Dividends and fees reclassified from Net fee and commission income to Other operating income.	18,047	12,292
3	Reclassification of value adjustments related to sector shares and of profit or loss from currency transactions to Other operating income.	17,243	11,698
4	Reclassification of interest income to Net insurance income due to IFRS 17	9,609	2,064
5	Reclassification from Net fee and commision income to Operation costs due to IFRS 17	0	3,443
6	Reclassification of operating costs from Net insurance income to Operating costs due to IFRS 17	11,000	17,104
7	Reclassification of market value adjustments from net insurance income to Investment portfolio earnings due to FRS 17	11,705	8,989

Segments

We refer to the preceding Financial Review, which provides an overview of the Group, including the Bank at an overall level.

The Bank's activities are divided into two main segments, Personal Banking and Corporate Banking. Details regarding these two segments are provided on the following pages. The last page of the segments section sets out the performance of the Bank's insurance subsidiary, Trygd.

Adjusted Income statement, Banking

DKKm	Q1-Q3 2025	Q1-Q3 2024	*Index*	Q3 2025	Q2 2025	*Index*	Q1 2025	Q4 2024	Q3 2024
Net interest income	237	269	*88*	77	84	*91*	76	78	87
Net fee and commission income	73	66	*109*	25	24	*106*	24	23	22
Other operating income	40	28	*145*	8	22	*38*	11	9	9
Total operating income	**350**	**363**	***97***	**110**	**129**	***85***	**111**	**110**	**118**
Operating costs	192	183	*105*	67	62	*108*	63	67	63
Profit before impairment charges	**159**	**180**	***88***	**43**	**67**	***64***	**48**	**44**	**55**
Impairment charges, net	-2	10	*-16*	-9	2	*-483*	5	-11	-6
Operating profit	**160**	**169**	***95***	**52**	**66**	***79***	**43**	**55**	**61**
Investment portfolio earnings	71	95	*75*	18	28	*63*	25	29	43
Profit before tax	**231**	**264**	***88***	**70**	**94**	***74***	**68**	**84**	**104**
Loans and advances	9,600	9,072	*106*	9,600	9,697	*99*	9,272	9,086	9,072
Deposits and other debt	10,835	9,359	*116*	10,835	10,407	*104*	10,306	10,007	9,359
Mortgage credit	2,789	2,579	*108*	2,789	2,909	*96*	2,906	2,741	2,579
Operating costs/income, %	55	50		61	48		57	60	53
Number of FTE, end of period	173	175	*99*	173	171	*101*	174	177	175

Personal Banking

The Personal Banking segment reported operating income of DKK 62m in Q3 2025, DKK 11m lower than in Q2 2025. Net interest income was DKK 37m in Q3 2025, down DKK 4m compared to the previous quarter, primarily due to margin pressures and higher funding costs. Compared to Q2 2025, net fee and commission income was up DKK 1m to DKK 19m in Q3 2025. Other operating income amounted to DKK 5m in Q3 2025, down from DKK 13m in Q2 2025, which was higher than usual due to one-off income.

Operating costs were DKK 57m in Q3 2025, an increase of DKK 6m relative to Q2 2025, mainly driven by increased IT costs. Net impairment amounted to no charge in Q3 2025, compared to a reversal of DKK 1m in Q2 2025. The Bank remains of the opinion that customers in the personal banking segment continue to be robust. Declining market rates and rising real income levels are expected to continue to strengthen customers' resilience. The resulting operating profit for Q3 2025 was DKK 4m, down from DKK 23m in the previous quarter.

Investment portfolio earnings posted to the Personal Banking segment amounted to DKK 9m in the third quarter of 2025 compared to DKK 15m in Q2 2025.

Profit before tax thus amounted to DKK 14m in Q3 2025 compared to DKK 38m in Q2 2025.

Profit before tax for the first nine months of 2025 was DKK 72m, which was DKK 52m lower than the same period in 2024. The difference is mainly due to lower net interest income, slightly higher impairment charges and lower earnings from the investment portfolio. However, the Bank is satisfied with the overall performance in the Personal Banking segment in the first three quarters of 2025.

Loans and advances to personal customers increased by DKK 46m (up 1%) to DKK 4,532m at the end of Q3 2025, while brokered mortgage credit increased by DKK 22m (up 1%) to DKK 2,203, both compared to 30 June 2025. Deposits held by personal customers fell by DKK 612m (down 9%) during the third quarter to DKK 6,108m on 30 September 2025. The decline originates from the Groups transfer of customers in September from the Private to the Corporate segment, in total DKK 708m.

Adjusted Income statement, Personal banking

DKKm	Q1-Q3 2025	Q1-Q3 2024	*Index*	Q3 2025	Q2 2025	*Index*	Q1 2025	Q4 2024	Q3 2024
Net interest income	116	142	*82*	37	41	*91*	37	40	46
Net fee and commission income	55	51	*107*	19	18	*106*	18	18	17
Other operating income	25	22	*111*	5	13	*39*	6	6	11
Total operating income	**195**	**216**	***91***	**62**	**72**	***85***	**61**	**64**	**75**
Operating costs	159	151	*106*	57	51	*111*	52	55	52
Profit before impairment charges	**36**	**65**	***56***	**5**	**22**	***23***	**10**	**9**	**23**
Impairment charges, net	2	-9	*- 23*	0	-1	*-39*	3	-2	-8
Operating profit	**34**	**74**	***46***	**4**	**23**	***20***	**7**	**10**	**31**
Investment portfolio earnings	38	50	*75*	9	15	*63*	13	15	23
Profit before tax	**72**	**124**	***58***	**14**	**38**	***37***	**20**	**26**	**54**
Loans and advances	4,532	4,298	*105*	4,532	4,487	*101*	4,418	4,373	4,298
Deposits and other debt	6,108	6,161	*99*	6,108	6,720	*91*	6,505	6,228	6,161
Mortgage credit	2,203	2,160	*102*	2,203	2,181	*101*	2,169	2,175	2,160
Number of FTE, end of period	77	77	*101*	77	76	*102*	76	79	77

Corporate Banking

Corporate Banking activities generated operating income of DKK 49m in Q3 2025, down 14% on the previous quarter. Net interest income fell by DKK 3m to DKK 39m, due to margin pressures and higher funding costs as well as a fall in overall lending volumes. Net fee and commission income was flat at DKK 6m, while other operating income fell from DKK 8m in Q2 2025, which was higher than usual due to one-off factors, to DKK 3m in Q3 2025.

Operating costs were down slightly to DKK 10m in Q3 2025. Net impairment in Q3 2025 was a reversal of DKK 9m compared to a charge of DKK 3m in Q2 2025. The Bank remains of the view that its corporate client base continues to show solid and improving creditworthiness. Lower market rates are set to strengthen customers' creditworthiness further.

Operating profit for the third quarter of 2025 amounted to DKK 47m, an increase of DKK 4m relative to Q2 2025. Investment portfolio earnings posted to the Corporate Banking segment in Q3 2025 were DKK 8m, DKK 5m lower than in the preceding quarter. The resulting profit before tax for Q3 2025 was DKK 56m, flat compared to Q2 2025.

Profit before tax for the first nine months of 2025 totalled DKK 159m compared to DKK 140m in the first nine months of 2024. The main reason for the difference is that impairment charges have been lower so far in 2025 than in the same period of 2024 and that other operating income was unusually high in Q2 2025. The Bank is also satisfied that core operations continue to be robust despite falling interest margins.

Corporate loans and advances fell by DKK 142m (down 3%) in Q3 2025 to DKK 5,068m at 30 September 2025. Customer deposits increased by DKK 1.040m (up 28%) during Q3 2025 to DKK 4.726m. The increase originates mainly from the Group's transfer of customers in September from the Private to the Corporate segment, in total DKK 708m. Brokered mortgage credit fell by DKK 143m (down 20%) to DKK 585m at 30 September 2025 compared to 30 June 2025.

Adjusted Income statement, Corporate Banking

DKKm	Q1-Q3 2025	Q1-Q3 2024	*Index*	Q3 2025	Q2 2025	*Index*	Q1 2025	Q4 2024	Q3 2024
Net interest income	121	126	*96*	39	43	*92*	39	38	40
Net fee and commission income	18	16	*115*	6	6	*109*	6	6	5
Other operating income	16	6	*277*	3	8	*36*	4	2	-2
Total operating income	**155**	**148**	***105***	**49**	**57**	***86***	**49**	**46**	**44**
Operating costs	33	32	*101*	10	11	*92*	11	11	11
Profit before impairment charges	**122**	**115**	***106***	**38**	**46**	***84***	**38**	**35**	**33**
Impairment charges, net	-4	19	*- 20*	-9	3	*-318*	2	-10	2
Operating profit	**126**	**22**	***565***	**47**	**43**	***110***	**36**	**45**	**-2**
Investment portfolio earnings	33	45	*75*	8	13	*62*	12	14	20
Profit before tax	**159**	**140**	***114***	**56**	**56**	***99***	**47**	**58**	**50**
Loans and advances	5,068	4,774	*106*	5,068	5,210	*97*	4,855	4,713	4,774
Deposits and other debt	4,726	3,198	*148*	4,726	3,687	*128*	3,802	3,779	3,198
Mortgage credit	585	419	*140*	585	728	*80*	736	565	419
Number of FTE, end of period	13	15	*91*	13	13	*100*	15	15	15

Insurance: Trygd

Trygd reported premium income of DKK 42m in Q3 2025, DKK 2m higher than in Q3 2024. In Q3 2025, claims were DKK 25m, DKK 3m higher than in Q3 2024. Net income from investment activities amounted to DKK 4m in Q3 2025, flat compared to Q3 2024. As a result, operating income was DKK 20m in Q3 2025 compared to DKK 21m in Q3 2024.

Operating costs were DKK 7m in Q3 2025, the same level seen in Q3 2024. As a result, Trygd reported a profit before tax for Q3 2025 of DKK 14m, the same level as in Q3 2024.

Profit before tax for the first three quarters in 2025 was DKK 37m, 63% higher than the profit before tax of DKK 22m reported in the first nine months of 2024.

Trygd continues to consolidate its market position as a provider of non-life insurance in the Faroe Islands. An increased market share in Trygd’s main business areas, focus on pricing structure as well as general market growth related to developments in the Faroese economy have driven an increase in premiums. As operating costs remain low, these developments contribute to margin improvements.

Trygd’s claims vary significantly from one period to the next due to the limited size of the Faroese insurance market as well the timing and severity of weather events, which adds volatility to the financial results.

Adjusted Income statement, Trygd

DKKm	Q1-Q3 2025	Q1-Q3 2024	*Index*	Q3 2025	Q2 2025	*Index*	Q1 2025	Q4 2024	Q3 2024
Premium income, net of reinsurance	124	118	*105*	42	42	*99*	40	38	40
Claims, net of reinsurance	71	82	*87*	25	20	*123*	27	32	22
Net insurance income	**53**	**36**	***146***	**17**	**22**	***77***	**14**	**6**	**18**
Net income from investment activities	5	9	*57*	4	2	*221*	0	2	4
Operating income	**58**	**45**	***128***	**20**	**23**	***87***	**14**	**7**	**21**
Operating costs	21	23	*93*	7	7	*99*	7	6	7
Profit before tax	**37**	**22**	*163*	**14**	**17**	***82***	**7**	**1**	**14**
Combined ratio	77	89		78	67		87	102	74
Claims ratio	58	70		59	48		66	85	55
Number of FTE, end of period	21	23	*94*	21	21	*101*	23	23	23

Income statement

Note	DKK 1,000	Group Q1-Q3 2025	Group Q1-Q3 2024	Føroya Banki Q1-Q3 2025	Føroya Banki Q1-Q3 2024
3	Interest income calculated using the effective interest method	392,361	461,245	413,521	476,387
3	Other interest income	21,160	15,143		
4	Interest expenses	119,776	137,155	119,776	137,155
	Net interest income	**293,745**	**339,232**	**293,745**	**339,232**
	Dividends from shares and other investments	14,407	11,997	14,407	11,997
5	Fee and commission income	68,528	63,780	77,123	72,001
5	Fee and commissions paid	4,602	5,542	4,602	5,542
	Net dividend, fee and commission income	**78,334**	**70,234**	**86,929**	**78,455**
	Net interest and fee income	**372,078**	**409,466**	**380,674**	**417,687**
	Insurance revenue	149,588	146,385		
	Insurance service expenses	102,841	112,748		
	Net return on investments backing insurance liabilities	4,682	10,749		
	Net finance income or expense from insurance	348	382		
	Other expenses	4,313	4,484		
	Net insurance result	**47,464**	**40,284**	**0**	**0**
	Interest and fee income and income from insurance activities, net	**419,543**	**449,750**	**380,674**	**283,959**
6	Market value adjustments	31,293	33,287	31,293	33,287
7	Other operating income	12,577	7,806	5,198	2,117
8	Staff costs and administrative expenses	192,369	182,440	185,558	175,760
	Amortisation, depreciation and impairment charges	6,481	6,545	6,283	6,289
	Other operating expenses	42	1,186	42	1,186
9	Impairment charges on loans and advances etc.	-1,636	10,328	-1,636	10,328
	Income from investments accounted for under the equity method	4,404	4,609	36,579	29,240
	Profit before tax	**270,560**	**294,953**	**263,497**	**288,768**
	Tax	52,885	56,869	45,822	50,684
	Net profit	**217,675**	**238,084**	**217,675**	**238,084**
	Portion attributable to				
	Shareholders of Føroya Banki P/F	217,675	232,866	217,675	232,866
	Owners of additional Tier 1 capital	0	5,218	0	5,218
	Net profit	**217,675**	**238,084**	**217,675**	**238,084**
	EPS Basic for the perdiod, DKK*	22.74	24.87	22.74	24.87
	EPS Diluted for the perdiod, DKK*	22.74	24.87	22.74	24.87

*Based on average number of shares outstanding.

Statement of comprehensive income - Føroya Banki

	Group		Føroya Banki	
	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
DKK 1,000	**2025**	**2024**	**2025**	**2024**
Net profit	217,675	238,084	217,675	238,084
Other comprehensive income				
Total other comprehensive income	0	0	0	0
Total comprehensive income	**217,675**	**238,084**	**217,675**	**238,084**

Balance Sheet

Note	DKK 1,000	Group Sept. 30 2025	Group Dec. 31 2024	Føroya Banki Sept. 30 2025	Føroya Banki Dec. 31 2024
	Assets				
	Cash in hand and demand deposits with central banks	3,139,205	2,696,305	3,128,395	2,695,918
10	Amounts due from credit institutions and central banks	300,473	310,797	300,473	310,797
9	Loans and advances at fair value	311,212	319,297	313,212	319,297
9	Loans and advances at amortised cost	9,286,830	8,767,094	9,286,830	8,767,094
	Bonds at fair value	1,492,287	1,757,200	1,317,908	1,559,697
	Shares, etc.	304,176	285,845	173,861	188,358
	Assets under insurance contracts	12,488	4,786	0	0
	Holdings in associates	21,216	18,563	21,216	18,563
	Holdings in subsidiaries	0	0	167,609	145,434
	Assets under pooled schemes and unit-linked investment contracts	77,022	61,610	77,022	58,055
	Intangible assets	4,591	5,084	620	1,084
	Total land and buildings	107,303	111,810	107,303	111,810
	Domicile property	53,062	54,377	53,062	54,377
	Domicile property (lease asset)	54,241	57,432	54,241	57,432
	Other property, plant and equipment	13,937	15,008	12,385	13,067
	Current tax assets	14,688	21,818	14,688	21,818
	Deferred tax assets	11,253	11,253	11,172	11,172
	Assets held for sale	2,207	2,207	2,207	2,207
	Other assets	67,261	88,408	64,335	89,312
	Prepayments	4,036	34,561	3,430	32,781
	Total assets	**15,170,186**	**14,511,644**	**15,002,666**	**14,346,463**

Balance Sheet

Note	DKK 1,000	Group Sept. 30 2025	Group Dec. 31 2024	Føroya Banki Sept. 30 2025	Føroya Banki Dec. 31 2024
	Shareholders' equity and liabilities				
	Liabilities other than provisions				
	Amounts due to credit institutions and central banks	837,987	823,455	837,987	823,455
	Deposits and other debt	10,803,028	10,003,348	10,834,476	10,014,704
	Deposits under pooled schemes and unit-linked investments contracts	77,022	61,610	77,022	58,055
	Issued bonds at amortised cost	901,052	981,190	901,052	981,190
	Liabilities under insurance contracts	180,182	158,485	0	0
	Current tax liabilities	126,593	73,613	113,593	67,770
	Other liabilities	192,809	226,573	187,436	220,192
	Deferred income	1,918	3,927	1,918	2,162
	Total liabilities other than provisions	**13,120,591**	**12,332,200**	**12,953,484**	**12,167,528**
	Provisions for liabilities				
	Provisions for deferred tax	413	508	0	0
	Provisions for losses on guarantees etc	2,011	1,263	2,011	1,263
	Provisions for other liabilities	2,606	1,846	2,606	1,846
	Total provisions for liabilities	**5,029**	**3,617**	**4,616**	**3,109**
	Subordinated debt				
	Subordinated debt	99,895	99,790	99,895	99,790
	Total liabilities	**13,225,516**	**12,435,607**	**13,057,995**	**12,270,426**
	Equity				
	Share capital	192,000	192,000	192,000	192,000
	Revaluation reserve	6,718	6,718	6,718	6,718
	Retained earnings	1,745,953	1,527,319	1,745,953	1,527,319
	Proposed dividends	0	350,000	0	350,000
	Total equity	**1,944,670**	**2,076,037**	**1,944,670**	**2,076,037**
	Total liabilities and equity	**15,170,186**	**14,511,644**	**15,002,666**	**14,346,463**

Statement of changes in equity - Føroya Banki Group

DKK 1,000	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	Additional tier 1 capital	Total
	Shareholders equity						
Shareholders' equity at January 1, 2025	**192,000**	**6,718**	**350,000**	**1,527,319**	**2,076,037**	**0**	**2,076,037**
Net profit			0	217,675	217,675	0	217,675
Total comprehensive income		**0**	**0**	**217,675**	**217,675**	**0**	**217,675**
Dividends paid			-350,000	958	-349,042		-349,042
Shareholders' equity at September 30, 2025	**192,000**	**6,718**	**0**	**1,745,953**	**1,944,670**	**0**	**1,944,670**

DKK 1,000	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	Additional tier 1 capital	Total
Shareholders' equity at January 1, 2024	**192,000**	**7,948**	**80,000**	**1,570,662**	**1,850,609**	**151,532**	**2,002,141**
Revaluation of assets, subsidiaries		-1,230		1,230	0		0
Net profit			350,000	-44,792	305,208	5,218	310,427
Total comprehensive income		**-1,230**	**350,000**	**-43,562**	**305,208**	**5,218**	**310,427**
Paid interest on additional tier 1 capital				**0**	**0**	-6,750	-6,750
Redemption of additional tier 1 capital				0	0	-150,000	-150,000
Dividends paid			-80,000	219	-79,781		-79,781
Shareholders' equity at December 31, 2024	**192,000**	**6,718**	**350,000**	**1,527,319**	**2,076,037**	**0**	**2,076,037**

DKK 1,000	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	Additional tier 1 capital	Total
Shareholders' equity at January 1, 2024	**192,000**	**7,948**	**80,000**	**1,570,662**	**1,850,609**	**151,532**	**2,002,141**
Net profit				232,866	232,866	5,218	238,084
Total comprehensive income				**232,866**	**232,866**	**5,218**	**238,084**
Paid interest on additional tier 1 capital						-6,750	-6,750
Redemption of additional tier 1 capital						-150,000	-150,000
Dividends paid			-80,000	219	-79,781		-79,781
Shareholders' equity at September 30, 2024	**192,000**	**7,948**	**0**	**1,803,747**	**2,003,695**	**0**	**2,003,695**

Statement of changes in equity - Føroya Banki P/F

	Shareholders equity						
DKK 1,000	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	Additional tier 1 capital	Total
Shareholders' equity at January 1, 2025	**192,000**	**6,718**	**350,000**	**1,527,319**	**2,076,037**	**0**	**2,076,037**
Net profit				217,675	217,675	0	217,675
Total comprehensive income		**0**	**0**	**217,675**	**217,675**	**0**	**217,675**
Dividends paid			-350,000	958	-349,042		-349,042
Shareholders' equity at September 30, 2025	**192,000**	**6,718**	**0**	**1,745,953**	**1,944,670**	**0**	**1,944,670**

DKK 1,000	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	Additional tier 1 capital	Total
Shareholders' equity at January 1, 2024	**192,000**	**7,948**	**80,000**	**1,570,662**	**1,850,609**	**151,532**	**2,002,141**
Revaluation of assets, subsidiaries		-1,230		1,230	0		0
Net profit			350,000	-44,792	305,208	5,218	310,427
Total comprehensive income		**-1,230**	**350,000**	**-43,562**	**305,208**	**5,218**	**310,427**
Paid interest on additional tier 1 capital						-6,750	-6,750
Redemption of additional tier 1 capital					0	-150,000	-150,000
Dividends paid			-80,000	219	-79,781		-79,781
Shareholders' equity at December 31, 2024	**192,000**	**7,948**	**80,000**	**1,527,319**	**2,076,037**	**0**	**2,076,037**

DKK 1,000	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	Additional tier 1 capital	Total
Shareholders' equity at January 1, 2024	**192,000**	**7,948**	**80,000**	**1,570,662**	**1,850,609**	**151,532**	**2,002,141**
Net profit				232,866	232,866	5,218	238,084
Total comprehensive income				**232,866**	**232,866**	**5,218**	**238,084**
Paid interest on additional tier 1 capital						-6,750	-6,750
Redemption of additional tier 1 capital						-150,000	-150,000
Dividends paid			-80,000	219	-79,781		-79,781
Shareholders' equity at September 30, 2024	**192,000**	**7,948**	**0**	**1,803,747**	**2,003,695**	**0**	**2,003,695**

Capital and Solvency - P/F Føroya Banki

Solvency DKK 1,000	Sept. 30 2025	Dec. 31 2024
Tier 1 capital	1,713,193	1,712,027
Total capital	1,813,088	1,811,817
Risk-weighted items not included in the trading portfolio	6,214,170	5,835,110
Risk-weighted items with market risk etc.	243,703	391,442
Risk-weighted items with operational risk	953,926	953,926
Total risk-weighted items	**7,411,799**	**7,180,478**
CET 1 capital ratio	**23.1%**	**23.8%**
Tier 1 capital ratio	**23.1%**	**23.8%**
Total capital ratio	**24.5%**	**25.2%**
Total capital, incl. MREL capital, ratio	**36.6%**	**36.3%**
Shareholders' equity		
Share capital	192,000	192,000
Reserves	6,718	6,718
Net profit	217,675	310,427
Retained earnings, previous years	1,533,404	1,571,152
Shareholders' equity, before deduction of holdings of own shares	**1,949,797**	**2,080,296**
Deduction of ordinary dividend	0	217,000
Deduction of extraordinary dividend	0	133,000
Deduction of net profit	217,675	0
Deduction due to excess holdings of shares in the financial sector	269	0
Deduction of holdings of own shares	5,126	4,259
Deduction of MLC regarding Non Performing Exposures	245	0
Deduction of intangible assets	620	1,084
Deduction of deferred tax assets	11,172	11,172
Deduction regarding prudent valuation of financial instruments	1,496	1,754
CET 1 capital	**1,713,193**	**1,712,027**
Tier 1 capital	**1,713,193**	**1,712,027**
Subordinated loan capital	99,895	99,790
Total capital	**1,813,088**	**1,811,817**
MREL capital	901,052	791,227
Total capital, incl. MREL capital	**2,714,139**	**2,603,044**

The Føroya Banki Group holds a license to operate as a bank and is therefore subject to a capital requirement under the Faroese Financial Business Act and to CRR. The Faroese provisions on capital requirements apply to both the Parent Company and the Group. The capital requirement provisions stipulate a minimum capital of 8% of the identified risks. A detailed body of rules determines the calculation of capital as well as risks (risk-weighted items). The capital comprises CET 1 capital and subordinated loan capital. The CET 1 capital corresponds to the carrying amount of equity, after deductions of holdings of own shares, tax assets and other minor deductions.

Cash flow statement - Føroya Banki Group

DKK 1,000	Group Q1-Q3 2025	Group Full year 2024
Cash flow from operations		
Profit before tax	270,560	382,475
Amortisation and impairment charges for intangible assets	463	618
Depreciation and impairment charges of tangible assets	6,946	9,741
Impairment of loans and advances/guarantees	-947	1,077
Paid tax	0	-78,956
Other non-cash operating items	-55,915	-62,528
Total	**221,107**	**252,427**
Changes in operating capital		
Change in loans at fair value	5,000	36,665
Change in loans at amortised cost	-518,789	-233,816
Change in holding of bonds	286,507	-320,115
Change in holding of shares	-4,203	7,076
Change in deposits	801,809	1,301,156
Due to credit institutions and central banks	57,390	-138,507
Change in other assets / liabilities	7,813	41,599
Assets/liabilities under insurance contracts	13,995	15,678
Prepayments	28,517	-18,178
Cash flow from operations	**899,146**	**943,985**
Cash flow from investing activities		
Dividends received	16,158	11,997
Acquisition of intangible assets	-721	-5,000
Acquisition of tangible assets	-1,958	-7,211
Sale of tangible assets	5,041	6,654
Cash flow from investing activities	**18,520**	**6,439**
Cash flow from financing activities		
Change in loans from central banks and credit institutions	-42,857	242,857
Issued bonds at amortised cost	250,000	0
Redemption of issued bonds at amortised cost	-340,000	-150,000
Interest paid on additional tier 1 capital	0	-6,750
Payment of dividends	-350,000	-80,000
Payment of dividends, own shares	958	219
Principal portion of lessee lease payments	-3,191	-5,417
Cash flow from financing activities	**-485,090**	**909**
Cash flow	**432,577**	**951,333**
Cash in hand and demand deposits with central banks, and due from		
Credit institutions, etc. at the beginning of the year	3,007,102	2,055,769
Cash flow	432,577	951,333
Cash and due etc.	**3,439,678**	**3,007,102**
Cash and due etc.		
Cash in hand and demand deposits with central banks	3,139,205	2,696,305
Due from credit institutions, etc.	300,473	310,797
Total	**3,439,678**	**3,007,102**

Notes to the financial statements

Note 1 Significant accounting policies

The consolidated financial statements for the first nine months of 2025 have been prepared in accordance with IAS 34 “Interim Financial Reporting” supplemented by additional Faroese disclosure requirements for quarterly reports of listed financial companies and in accordance with the financial reporting requirements of the Nasdaq exchange in Copenhagen. The financial statements of the Parent Company, P/F Føroya Banki, have been prepared in accordance with the Faroese Financial Business Act and with the executive order on financial reports of credit institutions etc. of the Danish FSA as applied in the Faroe Islands.

The application of IAS 34 means that the disclosure of figures is less detailed than the disclosure in a full annual report and that the valuation principles laid down by the international financial reporting standards (IFRS) are applied.

The Group’s significant accounting policies are consistent with those applied in the Annual Report 2024. The Annual Report 2024 provides a full description of the Group’s significant accounting policies.

Future financial reporting standards and interpretations

The International Accounting Standards Board (IASB) has issued a number of new accounting standards (IAS and IFRS) and interpretations (IFRIC) that have not yet entered into force. Please refer to the Annual Report 2024 for further information.

Accounting estimates

The measurement of certain assets and liabilities requires management to estimate how future events will impact on the value of such assets and liabilities. Estimates of significance to the financial reporting are made in connection with determining the impairment of loans and advances, the fair value of unlisted financial instruments, provisions, business acquisitions etc. Estimates are based on assumptions that management considers appropriate, but which are inherently uncertain.

The most significant estimates that management makes in applying the Group’s accounting policies and the most important uncertainty affecting estimates made when preparing the condensed interim report are unchanged from the estimates made in connection with the preparation of the Annual Report 2024 and the uncertainties prevailing at that time.

Determination of fair value

The fair value of financial assets is measured based on quoted market prices of financial instruments traded in active markets. If an active market exists, fair value is based on the most recently observed market price at the balance sheet date.

If a financial instrument is quoted in a market that is not active, the Group bases its measurement on the most recent transaction price. Adjustment is made for subsequent changes in market conditions, for instance by including transactions in similar financial instruments that are assumed to be motivated by normal business considerations.

If no active market for standard and simple financial instruments, such as interest rate and currency swaps and unlisted bonds, exists, generally accepted valuation techniques rely on market-based parameters for measuring fair value. The results of calculations made based on valuation techniques are often estimates because exact values cannot be determined from market observations. Consequently, additional parameters, such as liquidity risk and counterparty risk, are sometimes used for measuring fair value.

Note	Operating segments Q1-Q3 2025, (DKK 1,000)	Banking				Non-life Insurance	Elimination	Group
2		Personal	Corporate	Other	Total	Faroe Islands		Total
	External interest income, Net	125,718	155,813	12,214	293,745	0		293,745
	Internal interest	19,127	-19,127	0	0			0
	Net interest income	**144,845**	**136,686**	**12,214**	**293,745**	**0**		**293,745**
	Net dividends and fee income	**66,793**	**20,002**	**135**	**86,929**	**0**	**-8,595**	**78,334**
	Net insurance result	**0**	**0**	**-54**	-54	**36,645**	**10,873**	47,464
	Other income	4,060	7,555	37,419	49,034	0	-761	48,274
	Total income	**215,698**	**164,243**	**49,713**	**429,654**	**36,645**	**1,517**	**467,816**
	Total operating expenses	**58,328**	**14,030**	**125,017**	**197,375**	**0**	**1,517**	**198,892**
	of which depreciation and amortisation	*677*	*0*	*5,804*	*6,481*	*0*		*6,481*
	Profit before impairment charges on loans	**157,369**	**150,213**	**-75,304**	**232,279**	**36,645**	**0**	**268,924**
	Impairment charges	1,999	-3,868	232	-1,636	0		-1,636
	Profit before tax	**155,370**	**154,081**	**-75,536**	**233,915**	**36,645**	**0**	**270,560**
	Total assets	**5,067,582**	**4,532,461**	**5,247,992**	**14,848,035**	**322,151**		**15,170,186**
	of which Loans and advances	*4,532,461*	*5,067,582*		*9,600,042*			*9,600,042*
	Total liabilities	**6,108,152**	**4,726,323**	**2,197,297**	**13,031,773**	**193,743**		**13,225,516**
	of which Deposits [1])	*6,108,152*	*4,726,323*		*10,834,476*		*-31,448*	*10,803,028*
	of which Insurance liabilities			*2,171*		*178,010*		*180,182*

Operating segments Q1-Q3 2024, (DKK 1,000)	Banking				Non-life Insurance	Elimination	Group
	Personal	Corporate	Other	Total	Faroe Islands		Total
External interest income, Net	113,791	157,904	67,537	339,232	0		339,232
Internal interest	48,215	-47,214	-1,001	0			0
Net interest income	**162,006**	**110,689**	**66,537**	**339,232**	**0**		**339,232**
Net dividends and fee income	**61,552**	**16,720**	**183**	**78,455**	**0**	**-8,221**	**70,234**
Net insurance result	**0**	**0**	**7,494**	7,494	**22,433**	**10,357**	40,284
Other income	3,359	5,841	37,262	46,462	0	-761	45,701
Total income	**226,916**	**133,251**	**111,476**	**471,643**	**22,433**	**1,375**	**495,451**
Total operating expenses	**60,739**	**15,275**	**112,217**	**188,231**	**0**	**1,940**	**190,171**
of which depreciation and amortisation	*6,003*	*917*	*-375*	*6,545*	*0*		*6,545*
Profit before impairment charges on loans	**166,177**	**117,976**	**-741**	**283,413**	**22,433**	**-565**	**305,281**
Impairment charges	-7,291	19,619	-2,001	10,328	0		10,328
Profit before tax	**173,468**	**98,356**	**1,261**	**273,085**	**22,433**	**-565**	**294,953**
Total assets	**4,191,405**	**4,921,018**	**4,661,981**	**13,774,404**	**281,073**		**14,055,478**
of which Loans and advances	*4,298,367*	*4,773,948*		*9,072,315*			*9,072,315*
Total liabilities	**6,160,816**	**3,198,001**	**2,508,589**	**11,867,653**	**184,130**		**12,051,783**
of which Deposits	*6,160,816*	*3,198,001*		*9,359,064*		*-5,515*	*9,353,549*
of which Insurance liabilities			*4,388*		*160,399*		*164,787*

1) Regarding deposits in Q3 2025. The Bank has transferred deposits totalling DKK 708m from the Private segment to the Corporate segment. Due to tecnical problems the corresponding period in Q3 2024 has not been corrected accordingly.

Føroya Banki Group - Geografical revenue information

Note 2 (cont'd)

Geografical segments, (DKK 1,000)	Total income		Non current assets		Additions to tangible assets		Additions to intangible assets	
	Q1-Q3 2025	Q1-Q3 2024	Q1-Q3 2025	Q1-Q3 2024	Q1-Q3 2025	Q1-Q3 2024	Q1-Q3 2025	Q1-Q3 2024
Faroe Islands	421,736	431,709	111,985	120,611	68	3,686	3,508	3,857
Greenland	46,080	63,743	35,063	37,064	638	33	0	0
Total	**467,816**	**495,452**	**147,048**	**157,675**	**706**	**3,719**	**3,508**	**3,857**

	Impairments		Investment portfolio earnings	
Geografical segments, (DKK 1,000)	Q1-Q3 2025	Q1-Q3 2024	Q1-Q3 2025	Q1-Q3 2024
Faroe Islands	12,667	-15,023	35,697	37,896
Greenland	-14,303	25,351	0	0
Total	**-1,636**	**10,328**	**35,697**	**37,896**

Income from external customers are divided into activities related to the customers's domiciles. Assets include all non-current assets, i.e. intangible assets, material assets, investment properties and holdings in associates.

	Total income		Profit before tax		Tax		FTE	
Operational segments, (DKK 1,000)	Q1-Q3 2025	Q1-Q3 2024	Q1-Q3 2025	Q1-Q3 2024	Q1-Q3 2025	Q1-Q3 2024	Q1-Q3 2025	Q1-Q3 2024
Faroe Islands, Banking, Other	374,272	391,424	176,454	217,840	33,929	42,438	164	166
Faroe Islands, Insurance	47,464	40,284	47,464	40,284	6,596	4,671	21	23
Greenland, Banking	46,080	63,743	46,643	36,829	12,360	9,760	17	17
Total	**467,816**	**495,452**	**270,560**	**294,953**	**52,885**	**56,868**	**202**	**206**

The geographical distribution of the Group's income and assets must be disclosed in accordance with IFRS and does not reflect the management operating segments of the Group though the financial development in Greenland and Faroe Islands are measured separately. Management assesses that the operating segments provide a more meaningful description of the Group's activities.

Note	DKK 1,000	Group		Føroya Banki	
		Q1-Q3 2025	Q1-Q3 2024	Q1-Q3 2025	Q1-Q3 2024
3	**Interest income**				
	Credit institutions and central banks	33,164	54,124	33,164	54,124
	Loans and advances (incl. other interest income)	354,369	396,865	354,369	396,865
	Bonds	12,506	8,623	12,506	8,623
	Total derivatives of which:	7,269	12,399	7,269	12,399
	Currency contracts	*-28*	*-11*	*-28*	*-11*
	Interest rate contracts	*7,297*	*12,411*	*7,297*	*12,411*
	Other interest income	6,213	4,376	6,213	4,376
	Total interest income	**413,521**	**476,387**	**413,521**	**476,387**
4	**Interest expenses**				
	Credit institutions and central banks	18,382	22,340	18,382	22,340
	Deposits	65,662	69,428	65,662	69,428
	Issued bonds	30,677	41,731	30,677	41,731
	Subordinated debt	3,668	4,119	3,668	4,119
	Lease liabilities	1,478	1,549	1,478	1,549
	Other interest expenses	-91	-2,013	-91	-2,013
	Total interest expenses	**119,776**	**137,155**	**119,776**	**137,155**
5	**Net fee and commission income**				
	Fee and commission income				
	Securities trading and custody accounts	12,807	10,492	12,807	10,492
	Credit transfers	16,793	15,974	16,793	15,974
	Loan commissions	3,561	3,398	3,561	3,398
	Guarantee commissions	17,219	16,296	17,219	16,296
	Other fees and commissions	18,148	17,619	26,743	25,841
	Total fee and commission income	**68,528**	**63,780**	**77,123**	**72,001**
	Fee and commissions paid				
	Securities trading and custody accounts	4,602	5,542	4,602	5,542
	Net fee and commission income	**63,926**	**58,237**	**72,522**	**66,458**
6	**Market value adjustments**				
	Loans and advances	-1,085	6,592	-1,085	6,592
	Bonds	13,200	25,861	13,200	25,861
	Shares	12,102	5,390	12,102	5,390
	Foreign exchange	6,700	8,066	6,700	8,066
	Total derivatives of which:	377	-12,623	377	-12,623
	Currency Swaps	*901*	*74*	*901*	*74*
	Interest Swaps	*-1,822*	*-13,214*	*-1,822*	*-13,214*
	Other contracts	*1,297*	*518*	*1,297*	*518*
	Assets under pooled schemes	1,256	5,996	1,256	5,996
	Deposits in pooled schemes	-1,256	-5,996	-1,256	-5,996
	Total market value adjustments	**31,293**	**33,287**	**31,293**	**33,287**

Note	DKK 1,000	Group		Føroya Banki	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		2025	2024	2025	2024
7	**Other operating income**				
	Profit on sale of properties	3,702	636	3,702	636
	Other income	8,874	7,170	1,496	1,481
	Total other operating income	**12,577**	**7,806**	**5,198**	**2,117**
8	**Staff costs and administrative expenses**				
	Staff costs:				
	Salaries	95,206	93,848	82,219	80,373
	Pensions	13,915	13,664	12,151	11,760
	Social security expenses	14,447	14,056	12,876	12,445
	Total staff costs	**123,569**	**121,568**	**107,246**	**104,578**
	Administrative expenses:				
	IT	53,139	46,637	50,171	41,484
	Marketing etc	6,675	9,327	5,808	8,036
	Education etc	2,703	3,037	2,306	2,325
	Other expenses	27,322	27,295	20,028	19,338
	Total administrative expenses	**89,840**	**86,296**	**78,312**	**71,182**
	Total staff costs	123,569	121,568	107,246	104,578
	Total administrative expenses	89,840	86,296	78,312	71,182
	Staff and administrative costs incl. under the item "Insurance service expenses"	-21,040	-25,424	0	0
	Total staff costs and administrative expenses	**192,369**	**182,440**	**185,558**	**175,760**
	Number of employees				
	Average number of full-time employees in the period	203	208	174	178
	Executive remuneration:				
	Board of Directors	1,755	1,620	1,755	1,620
	Executive Board:				
	Salaries	2,406	2,097	2,406	2,097
	- less fees received from directorships	222	278	222	278
	The Bank's expense, salaries	2,184	1,819	2,184	1,819
	Pension	188	314	188	314
	Total executive board	**2,371**	**2,133**	**2,371**	**2,133**
	Total executive remuneration	**4,126**	**3,753**	**4,126**	**3,753**

Note	DKK 1.000	Group		Føroya Banki	
		Q1-Q3 2025	Q1-Q3 2024	Q1-Q3 2025	Q1-Q3 2024
9	**Impairment charges on loans and advances and provisions for guarantees etc.**				
	Impairment charges and provisions at 31 December 2024	179,881	182,347	179,881	182,347
	New and increased impairment charges and provisions	134,288	103,829	134,288	103,829
	Reversals of impairment charges and provisions	132,480	88,585	132,480	88,585
	Written-off, previously impaired	689	1,827	689	1,827
	Interest income on impaired loans	*2,813*	*3,105*	*2,813*	*3,105*
	Total impairment charges and provisions at 30 September 2025	**181,000**	**195,764**	**181,000**	**195,764**
	Impairment charges and provisions recognised in the income statement				
	Loans and advances at amortised cost	1,286	9,647	1,286	9,647
	Loans and advances at fair value	-3,377	2,815	-3,377	2,815
	Guarantiees and loan commitments	456	-2,135	456	-2,135
	Assets held for sale	0	0	0	0
	Total individual impairment charges and provisions	**-1,636**	**10,328**	**-1,636**	**10,328**
	Stage 1 impairment charges				
	Stage 1 impairment charges etc. at 31 December 2024	78,972	76,219	78,972	76,219
	New and increased Stage 1 impairment charges	75,451	42,728	75,451	42,728
	Reversals, net of Stage 1 impairment charges	64,435	46,612	64,435	46,612
	Stage 1 impairment charges at 30 September 2025	**89,989**	**72,335**	**89,989**	**72,335**
	Total net impact recognised in the income statement	*11,016*	*-3,884*	*11,016*	*-3,884*
	Stage 2 impairment charges				
	Stage 2 impairment charges etc. at 31 December 2024	32,571	38,196	32,571	38,196
	New and increased impairment charges	35,904	18,614	35,904	18,614
	Reversals, net of impairment charges	32,158	23,698	32,158	23,698
	Stage 2 impairment charges at 30 September 2025	**36,316**	**33,113**	**36,316**	**33,113**
	Total net impact recognised in the income statement	*3,745*	-5,084	*3,745*	*-5,084*
	Weak Stage 2				
	Weak Stage 2 impairment charges etc. at 31 December 2024	6,331	7,278	6,331	7,278
	New and increased impairment charges	9,785	4,845	9,785	4,845
	Reversals, net of impairment charges	4,873	5,255	4,873	5,255
	Weak Stage 2 impairment charges at 30 September 2025	**11,243**	**6,868**	**11,243**	**6,868**
	Total net impact recognised in the income statement	*4,913*	*-410*	*4,913*	*-410*

Note 9 (cont'd) DKK 1.000	Group Q1-Q3 2025	Group Q1-Q3 2024	Føroya Banki Q1-Q3 2025	Føroya Banki Q1-Q3 2024
Stage 3 impairment charges				
Stage 3 impairment charges etc. at 31 December 2024	60,452	56,450	60,452	56,450
New and increased impairment charges	11,656	35,909	11,656	35,909
Reversals of impairment charges	29,978	9,153	29,978	9,153
Written-off, previously impaired	689	1,827	689	1,827
Write-offs charged directly to the income statement	*756*	337	*756*	337
Received on claims previously written off	*1,387*	2,149	*1,387*	2,149
Interest income on impaired loans	*2,813*	3,105	*2,813*	3,105
Stage 3 impairment charges at 30 September 2025	**41,442**	**81,379**	**41,442**	**81,379**
Total net impact recognised in the income statement	*-21,766*	21,840	*-21,766*	21,840
Purchased credit-impaired assets included in stage 3 above				
Purchased credit-impaired assets at 31 December 2024	1,096	1,341	1,096	1,341
Reversals of impairment charges	144	222	144	222
Purchased credit-impaired assets at 30 September 2025	**952**	**1,119**	**952**	**1,119**
Reclassified to Assets in disposal groups classified as held for sale				
Provisions for guarantees and undrawn credit lines				
Individual provisions at 31 December 2024	1,555	4,204	1,555	4,204
New and increased provisions	1,492	1,732	1,492	1,732
Reversals of provisions	1,036	3,867	1,036	3,867
Provisions for guarantees etc at 30 September 2025	**2,011**	**2,069**	**2,011**	**2,069**
Total net impact recognised in the income statement	*456*	-2,135	*456*	*-2,135*
Provisions for guarantees and undrawn credit lines				
Stage 1 provisions	1,034	1,135	1,034	1,135
Stage 2 provisions	585	578	585	578
Stage 3 provisions	392	355	392	355
Provisions for guarantees etc at 30 September 2025	**2,011**	**2,069**	**2,011**	**2,069**

	DKK 1,000	Group Sept. 30 2025	Group Dec. 31 2024	Føroya Banki Sept. 30 2025	Føroya Banki Dec. 31 2024
10	**Due from credit institutions etc. specified by maturity**				
	On demand	300,473	310,797	300,473	310,797
	Total due from credit institutions etc.	**300,473**	**310,797**	**300,473**	**310,797**
11	**Contingent liabilities**				
	Guarantees				
	Financial guarantees	200,333	170,910	200,333	170,910
	Mortgage finance guarantees	321,353	305,032	321,353	305,032
	Registration and remortgaging guarantees	93,517	23,306	113,072	106,784
	Other garantees	63,907	64,571	196,347	204,757
	Total guarantees	**679,111**	**563,819**	**831,105**	**787,484**

12 **Assets deposited as collateral**

At Sept. 30 2025 the Group had deposited cash amounting to DKK 36.7m (Dec. 31 2024: 27.0m) with Danmarks Nationalbank (the Danish Central Bank) primarily in connection with cash deposits. The Group had deposited cash at a total market value of DKK 15.9m (Dec. 31 2025: DKK 20.7m) in connection with negative market value of derivatives.

13 **Contingent liability**

The bank has entered in a tax dispute with the Danish tax-autorities regarding the sale of the banks danish activities in 2021. At present the contingent liablity could have a negative effect on the Groups equity of up to approx. DKK 30m.

Statement by the Executive Board and the Board of Directors

We have today considered and approved P/F Føroya Banki's interim report for the first nine months to 30 September 2025.

The consolidated financial statements for the first nine months to 30 September 2025 have been prepared in accordance with IAS 34, Interim Financial Reporting as adopted by the EU, while the interim financial statements of the Parent Company have been prepared in accordance with the Faroese Financial Business Act. Furthermore, the Interim Report has been prepared in accordance with additional Faroese disclosure requirements for interim reports of listed financial companies and in accordance with the financial reporting requirements of Nasdaq Copenhagen.

The interim financial statements have not been audited or reviewed.

We consider the accounting policies applied to be appropriate, such that the Interim Financial Report gives a true and fair view of the Group's and the Parent Company's assets, shareholders' equity and liabilities and financial position at 30 September 2025, and of the results of the Group's and the Parent Company's operations and the Group's and Parent Company's cash flows for the first nine months ended 30 September 2025.

In addition, we consider the Management's report to give a fair presentation of the development in the Group's activities and financial affairs, the profit for the period and the Group's financial position, as well as a description of the significant risks and elements of uncertainty that may affect the Group.

Tórshavn, 4 November 2025

Executive Board

Turið F. Arge
CEO

Board of Directors

Birgir Durhuus *Chair*	Annfinn Vitalis Hansen *Vice chair*	Kristian Reinert Davidsen
Marjun Hanusardóttir	Tom Ahrenst	Árni Tór Rasmussen
Rúna Hentze	Kenneth M. Samuelsen	Alexandur Johansen

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Føroya Banki is a limited liability company incorporated and domiciled in the Faroe Islands.

The company is listed on Nasdaq Copenhagen.

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