Financial results Q3 2026 and strategy update

Investor Presentation

Føroya Banki

Overview

- Føroya Banki at a glance
- Financial results
  - Operating income
  - Insurance
  - Costs
  - Impairment charges
  - Capital and liquidity ratios
- Q3 Summary
- Updated strategy and financial targets
- Appendices



Føroya Banki at a glance

Full-service bank with headquarters in the Faroe Islands

- 1 branch in Greenland
- 5 branches in the Faroe Islands

Two active subsidiaries in the Faroe Islands

- **Trygd** (non-life insurance)
- **Skyn** (real estate broker)

Moody's rating:

- A2 - long-term deposit rating
- A3 – issuer rating (negative outlook)



~200 FTEs



Leader in the Faroe Islands



Challenger in Greenland



Growth potential in the Faroese insurance market

Presence in the North Atlantic region

Total assets:
DKK 15.7bn

Faroe Islands:
Loans: DKK 9,062m
Deposits: DKK 9,682m

Greenland:
Loans: DKK 868m
Deposits: DKK 1,971m

Group figures:
Loans: DKK 9,931m
Deposits: DKK 11,653m

Q3 2026 figures

Føroya Banki

Financial results



Good performance in core business

- Continued solid performance in our core business: higher income driven by higher interest rates, stronger fee income and increased business volumes.
- Increased investment activity, reflected in a 3% increase in AUM during the quarter.
- Lower insurance income in the quarter, due to high level of claims.
- Operating costs in line with expectations due to continued cost management.
- Sustained strong credit quality leading to a reversal of impairment charges of DKK 5m in Q3.
- Outlook 2026: Net profit guidance raised in October to DKK 225-255m (from DKK 195-235m) driven by low impairment charges and an increase in core income.

Profit & Loss

DKKm	9M 2026	9M 2025	*Index*	Q3 2026	Q2 2026	*Index*
Net interest income	241	237	*102*	82	81	*101*
Net fee and commission income	69	60	*115*	24	23	*104*
Net insurance income	34	56	*61*	7	11	*60*
Other operating income	38	48	*79*	13	13	*104*
Total operating income	**382**	**402**	***95***	**126**	**128**	***98***
Operating costs	218	210	*104*	73	73	*99*
Profit before impairment charges	**164**	**192**	***85***	**53**	**55**	***97***
Net impairment charges on loans	-3	-2	*153*	-5	3	
Operating profit	**167**	**194**	***86***	**58**	**52**	***112***
Investment portfolio earnings	65	77	*84*	18	34	*55*
Profit before tax	**231**	**271**	***85***	**76**	**85**	***90***
Tax	44	53	*83*	15	16	*93*
Net profit	**187**	**218**	***86***	**62**	**69**	***89***

Key Metrics

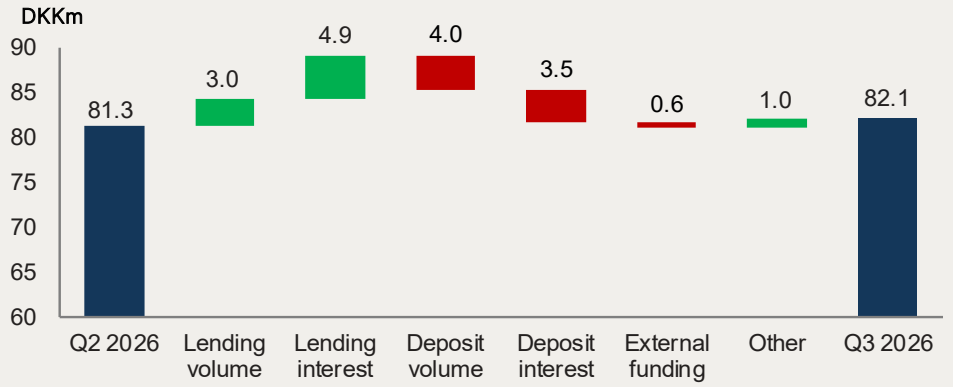
DKKbn	Target 2026	9M 2026	9M 2025	*Index*	Q3 2026	Q2 2026	*Index*
Loans and advances		9.9	9.6	*103*	9.9	9.8	*101*
Deposits and other debt		11.7	10.8	*108*	11.7	11.4	*102*
Mortgage credit		3.0	2.8	*106*	3.0	3.0	*98*
Assets under management		2.5	2.2	*113*	2.5	2.4	*103*
Operating cost / income, %	< 53.0	57.1	52.2		57.9	57.3	
CET1 capital ratio, %	23.0	25.1	23.1		25.1	25.6	
RoE after tax, % (annualised)	> 12.0	12.4	14.4		12.5	14.6	

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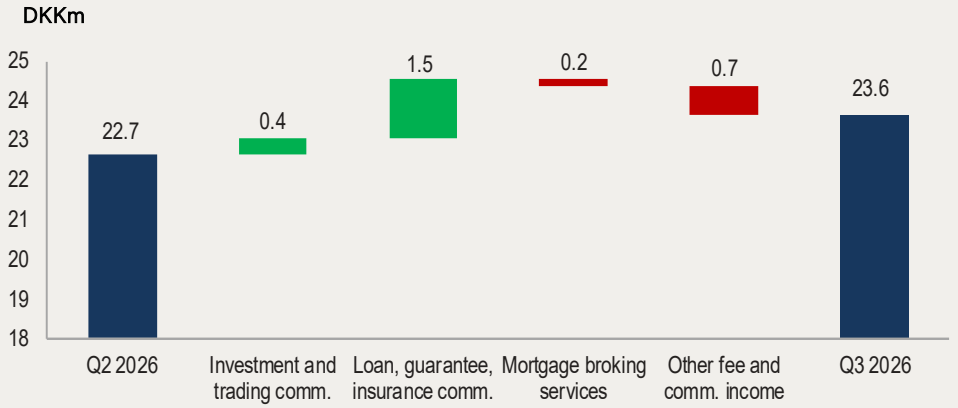
Solid performance in core income

- Net interest income up by DKK 1% QoQ and up by DKK 2% YoY.
- Fee and commission income up by 4% QoQ and up by DKK 15% YoY.
- The increase in net interest income was driven by higher business volumes, changes in interest rates and higher customer activity.

QoQ changes in net interest income

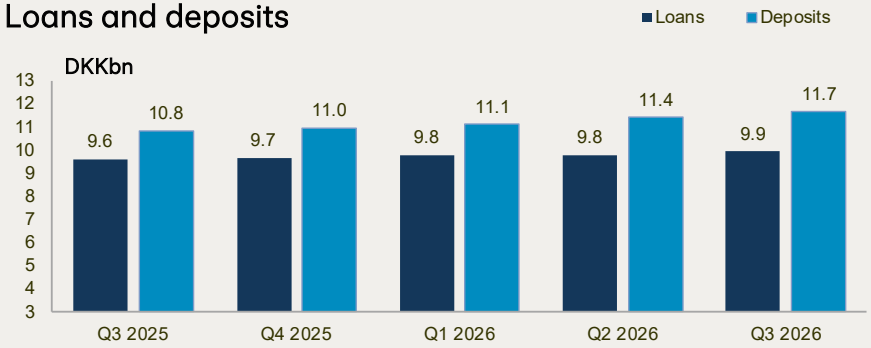


QoQ changes in fee and commission income

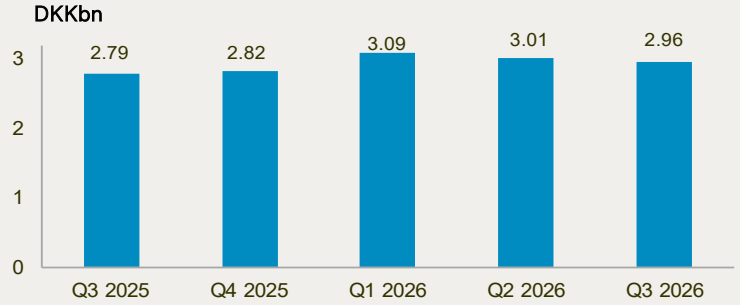


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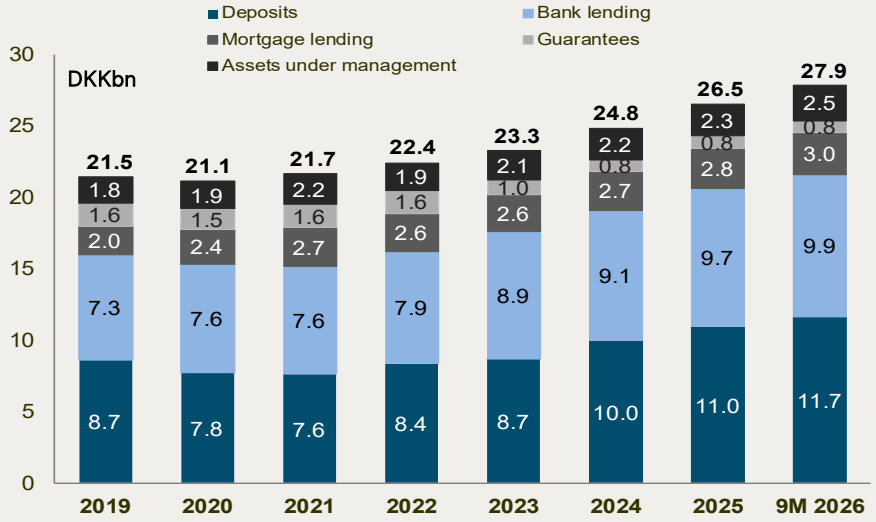
Loans and deposits



Mortgage-broking services



Business volumes



Business volumes continue to follow the positive trend

- The growth in loans and deposits remains stable:
  - Lending volumes up by 1% QoQ and up by 3% YoY.
  - Deposit volumes up by 2% QoQ and up by 8% YoY.
  - Mortgage broking services down by 2% QoQ and up by 6% YoY.

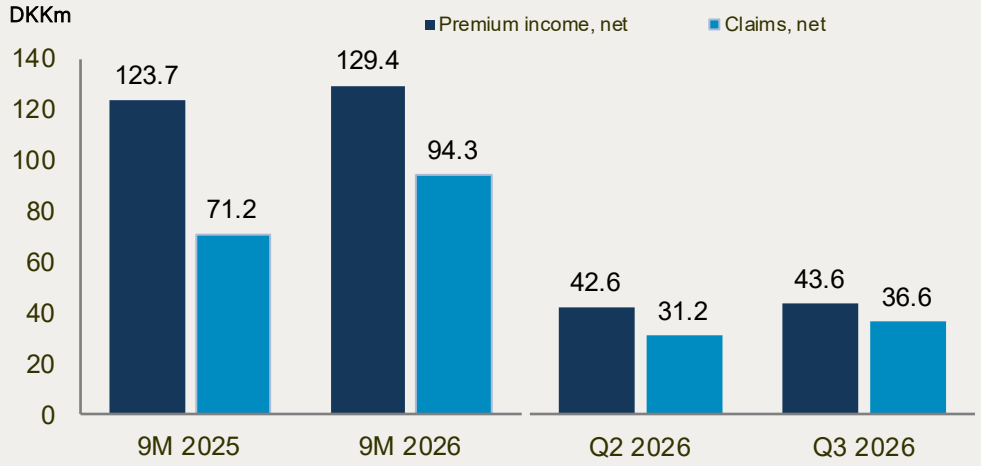
- Business volumes at the end of Q3 2026 totalled DKK 27.9bn, which was 0.5% higher than the previous quarter and 6% higher than the same period last year.

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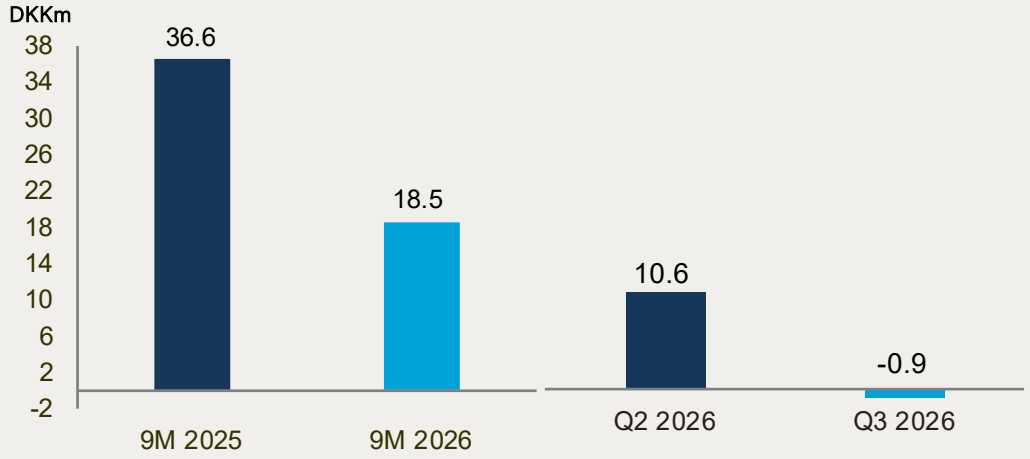
Insurance income lower due to higher claims

- Solid insurance premiums trajectory: Insurance premiums grew by 4.6% from Q3 2025 to Q3 2026, driven by a continued inflow of new customers and price rises.
- Combined ratio of 102.3% in Q3 2026 compared to 91.9% in Q3 2025, driven by a high level of claims during the period.
- Profit before tax of DKK 18.5m for the period Q1-Q3 2026. The performance is satisfactory despite a higher level of claims during the period, particularly compared to the same period last year, where claims were exceptionally low.

Premiums and claims



Profit before tax

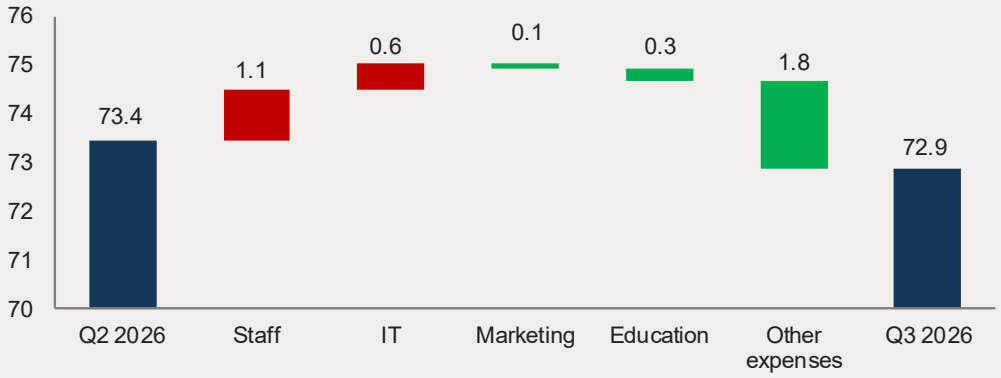


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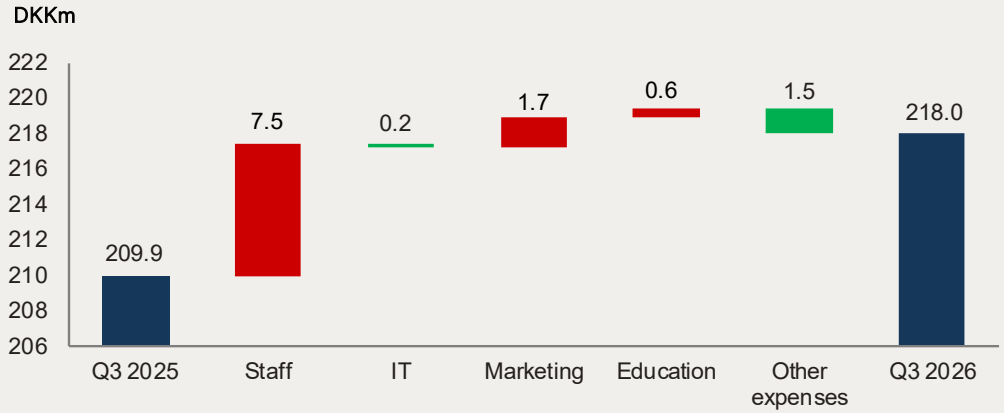
Operating costs in line with expectations

- Total operating costs decreased by 1% QoQ and increased by 4% YoY, driven by higher staff and marketing costs.
- End-of-period FTEs of 209 - up by 7 FTEs compared to the same period last year. This was related to seasonality and a higher intake of trainees.
- Operating costs were in line with expectations for the quarter and cost management was in focus to improve operational efficiency.

QoQ changes in operating costs

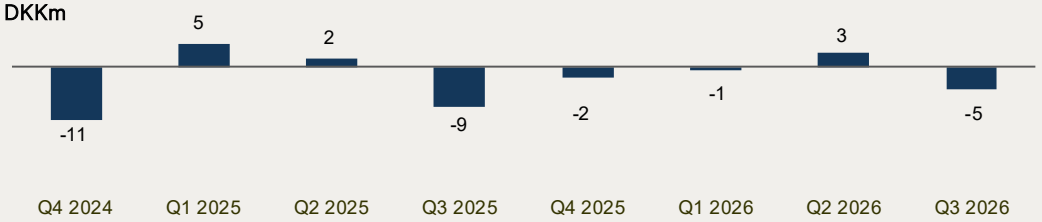


YoY changes in operating costs

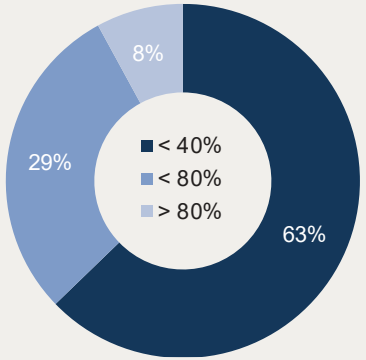


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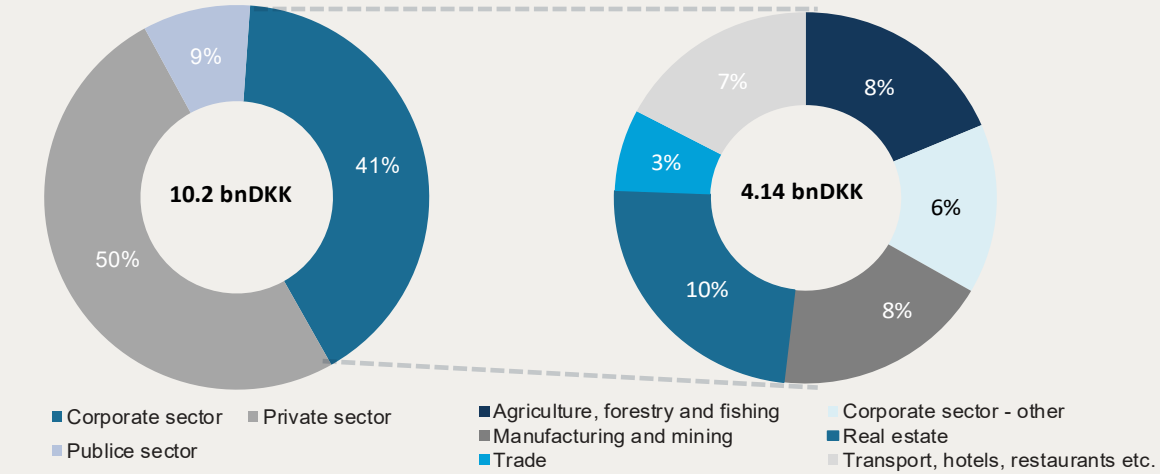
Impairment charges



LTV for housing loans[1]



Gross lending by sector



Strong credit quality driving net reversals

- Reversal of impairment charges of DKK 5m in Q3 2026 and reversal of DKK 3m in Q1-Q3 2026 due to strong credit quality of overall portfolio.
- Discretionary management estimate of DKK 121.5m in Q3 2026 related to general economic uncertainty caused by geopolitical tensions and macroeconomic developments. Unchanged from the previous quarter.
- Strong LTV ratios for housing loans: 92% of total housing loans below LTV of 80% and 63% below LTV of 40%.
- Well-diversified corporate customer portfolio for prudent risk diversification across industries.

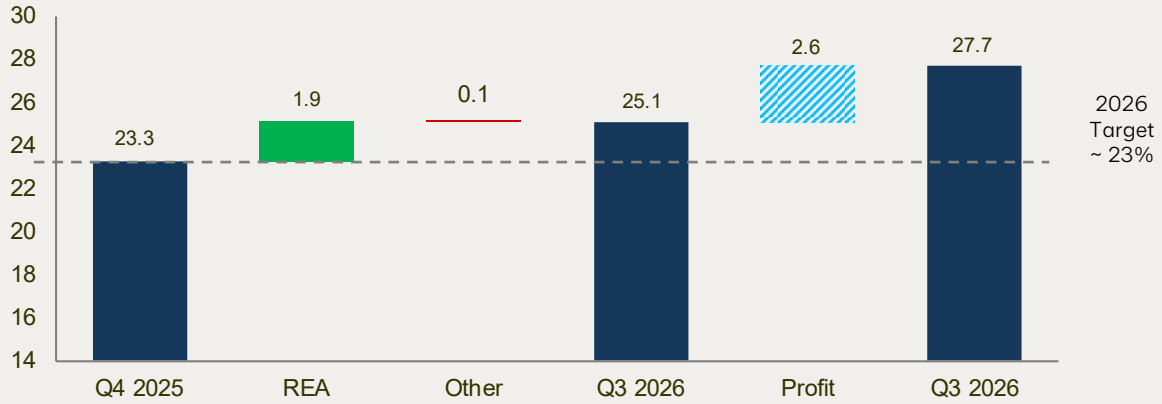
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1) Lending for housing accounts for DKK 4.8bn of total retail lending of DKK 5.0bn

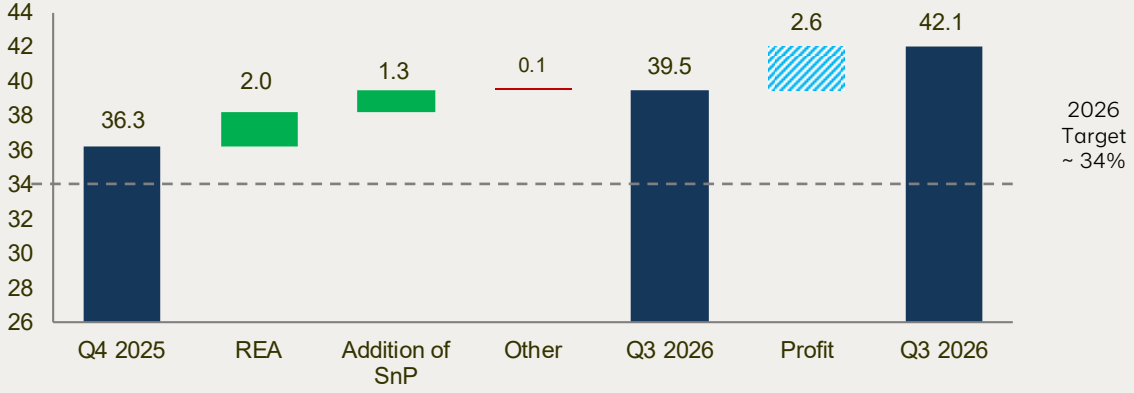
Strong liquidity and capital position

- Capital position remained strong and was further supported by solid capital generation.
- As of 1 January 2026, CRR 3 took effect in the Faroe Islands. The overall effect on REA was lower credit risk and lower operational risk: REA down by 7.6% over Q4 2025
- The Systemic Risk Council has proposed an increase in the countercyclical capital buffer in the Faroe Islands from 1% to 2% effective from 30 September 2027.
- Strong liquidity position with LCR of 259% and NSFR ratio of 166%, both well above the requirement of 100%.

CET1 ratio



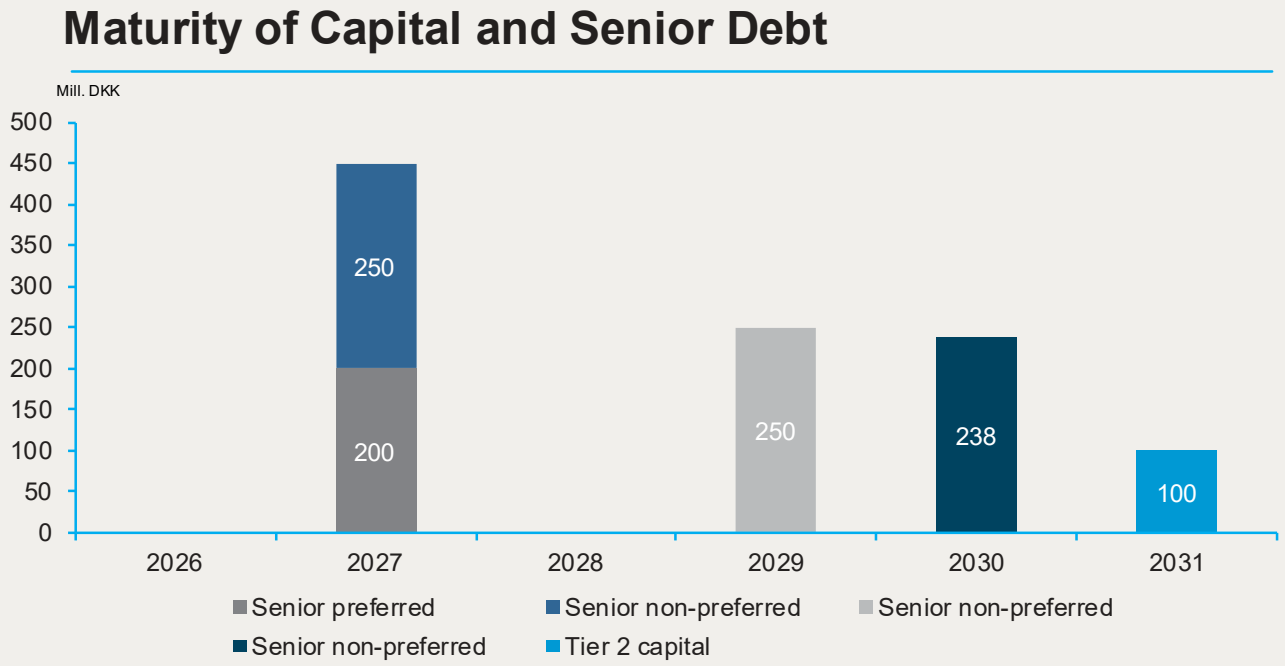
MREL Capital Ratio



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Existing portfolio of capital instruments and senior debt fulfills all requirements

- Going forward, focus will be on refinancing maturing debt and supporting lending growth.
- In Q1 2026, the Bank issued SEK 350m (DKK 238m) in senior non-preferred bonds and repaid senior non-preferred bonds of SEK 300m (207m DKK).
- The Bank issued DKK 100m in new Tier 2 bonds in May 2026 and redeemed DKK 100m of existing Tier 2 bonds in June 2026 as part of its capital refinancing.



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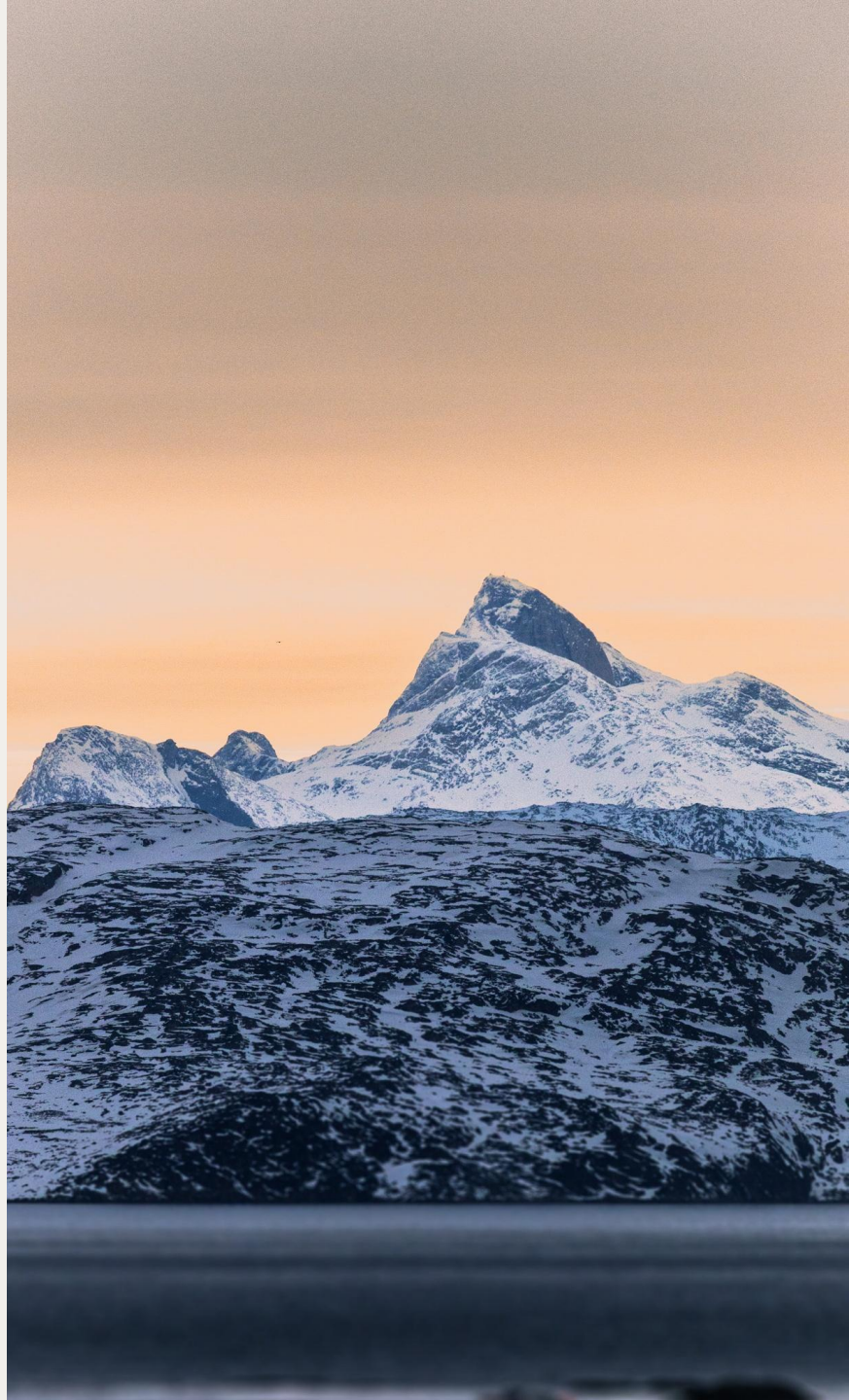
Q3 2026 summary

- Solid performance in core business.
- Steady growth in business volumes.
- Increased activity in the investment sector.
- Lower insurance income due to high level of claims.
- Total costs in line with expectations.
- Strong credit quality driving net reversals.
- Net profit guidance raised to DKK 225-255m.
- Continued strong liquidity and capital position.



Updated strategy and new financial targets

Updated strategy running from 2027 to 2030



”

Our strategy towards 2030 is about unlocking the full potential of the strong foundation we have already built, with customers at the center, our people as the driving force, and technology as a key enabler.

Turið F. Arge
CEO



Strategy 2024-2026

Customer-Centric and Sustainable Growth

Three strategic priorities from 2024

- Strengthened Growth and Business Focus
- Continued Focus on Cost Efficiency, Low Risk and Returns
- Drive Sustainable Development

Highlights from current strategy period

- Growth in business volume of 13% (Q3 24-Q3 26)
- New digital solutions launched for both customers and employees
- Stronger market position in the Faroe Islands
- Target ROE and C/I targets under pressure due to a lower-than-expected interest rate environment in 2026

Financial targets 2026	>12% Return on Equity	~23% CET1	<53% Cost / Income	70% Dividend policy
Performance Q3 2026	12.4% Return on Equity (annualised)	25.1% CET1	57.1% Cost / Income	DKK 632m in total capital distribution 2024-26

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Strategy 2030

Unlock the Potential

The strategy focuses on unlocking the Group's growth potential in the Faroe Islands and in Greenland.

1. Income growth across segments and markets

- Market position in Greenland must be strengthened
- Stronger relationships and proactive personal customer approach
- Focus on priority corporate segments

2. Focused cost management

- Continue a disciplined cost management focus
- Integrate artificial intelligence: streamline workflows, free up resources and simplify and improve the customer journey

3. Optimising capital

- Sufficient capital to remain the leading bank in the corporate segment
- Consistent capital distribution over time

> For example, by 2030, it should take no more than ten minutes to become a customer with the Bank and no more than an hour to have a loan enquiry processed.

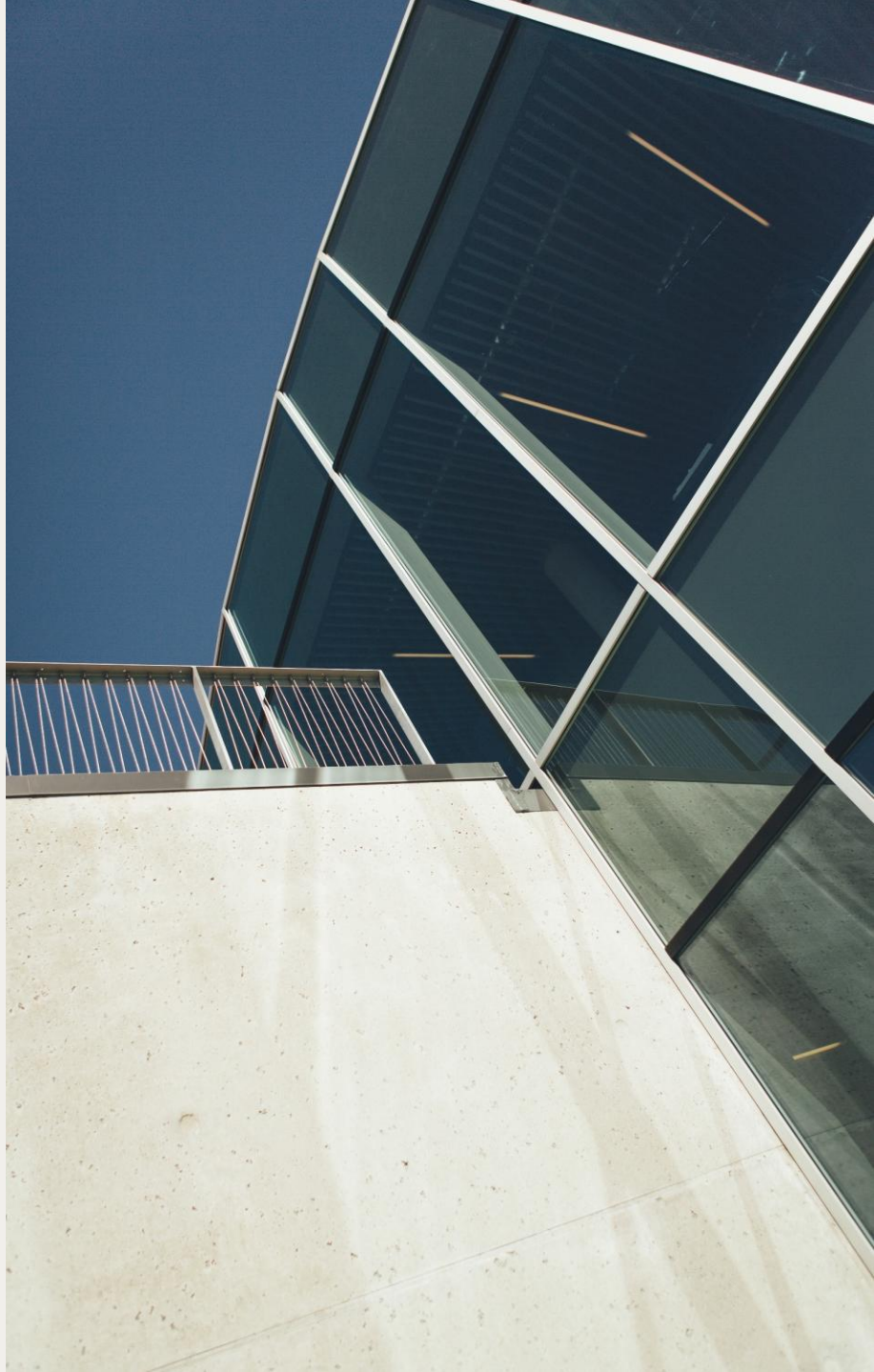
Turið F. Arge
CEO

Strategy 2030

Financial targets

- Financial targets are maintained, reflecting both confidence in the future performance of the business and a recognition that a sustained effort will be required to achieve them
- Cost / Income: Going forward, an internal target – the purpose is to support a more long-term management of cost-effectiveness and does not reflect a lower level of ambition
- The business must be scalable – growth ambitions should be realised without a proportionate rise in costs

Financial targets 2030	>12%	~23%	70%
	Return on Equity	CET1	Dividend policy (% of net profit)



Questions?

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Appendices

- Group
- Banking
- Personal Banking
- Corporate Banking
- Banking – Faroe Islands
- Banking – Greenland
- Insurance – Trygd
- The Faroese and Greenlandic economies



Group

Income from our core business is stronger than in 2025, while insurance income and other income are lower due to exceptionally strong results in 2025.

DKKm	Q1-Q3 2026	Q1-Q3 2025	*Index*	Q3 2026	Q2 2026	*Index*	Q1 2026	Q4 2025	Q3 2025
Net interest income	241	237	*102*	82	81	*101*	78	79	77
Net fee and commission income	69	60	*115*	24	23	*104*	23	24	21
Net insurance income	34	56	*61*	7	11	*60*	16	20	14
Other operating income (less reclassification)	38	48	*79*	13	13	*104*	11	10	11
Total operating income	**382**	**402**	***95***	**126**	**128**	***98***	**128**	**132**	**123**
Operating costs[1]	218	210	*0*	73	73	*99*	72	70	73
Profit before impairment charges	**164**	**192**	***85***	**53**	**55**	***97***	**56**	**63**	**50**
Impairment charges, net	-3	-2	*153*	-5	3		-1	-2	-9
Operating profit	**167**	**194**	***86***	**58**	**52**	***112***	**57**	**65**	**58**
Investment portfolio earnings[2]	65	77	*84*	18	34	*55*	13	20	22
Profit before tax	**231**	**271**	***85***	**76**	**85**	***90***	**70**	**85**	**80**
Operating costs/income, %	57	52		58	57		56	53	59
Number of FTE, end of period	209	202	*104*	209	201	*104*	207	201	202

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).

Comments on this page refer to the development in the current year compared to the same period last year.

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Banking

Satisfactory increase in business volumes: deposits, lending and mortgage credit.

DKKm	Q1-Q3 2026	Q1-Q3 2025	*Index*	Q3 2026	Q2 2026	*Index*	Q1 2026	Q4 2025	Q3 2025
Net interest income	241	237	*102*	82	81	*101*	78	79	77
Net fee and commission income	78	73	*108*	27	26	*104*	26	27	25
Other operating income	30	40	*75*	11	10	*104*	9	8	8
Total operating income	**349**	**350**	***100***	**120**	**117**	***102***	**112**	**114**	**110**
Operating costs	200	192	*104*	66	67	*99*	66	64	67
Profit before impairment charges	**149**	**159**	***94***	**53**	**50**	***106***	**46**	**50**	**43**
Impairment charges, net	-3	-2	*153*	-5	3		-1	-2	-9
Operating profit	**152**	**160**	***95***	**58**	**47**	***124***	**47**	**52**	**52**
Investment portfolio earnings	58	71	*82*	18	27	*68*	13	18	18
Profit before tax	**210**	**231**	***91***	**76**	**74**	***103***	**60**	**70**	**70**
Loans and advances	9,931	9,600	*103*	9,931	9,788	*101*	9,774	9,670	9,600
Deposits and other debt	11,653	10,835	*108*	11,653	11,413	*102*	11,112	10,957	10,835
Mortgage credit	2,958	2,789	*106*	2,958	3,015	*98*	3,095	2,824	2,789
Operating costs/income, %	57	55		56	57		59	56	61
Number of FTE, end of period	182	173	*105*	182	172	*106*	178	173	173

Comments on this page refer to the development in the current year compared to the same period last year.

Personal Banking

Strong growth in lending and deposit volumes.

DKKm	Q1-Q3 2026	Q1-Q3 2025	*Index*	Q3 2026	Q2 2026	*Index*	Q1 2026	Q4 2025	Q3 2025
Net interest income	117	116	*101*	40	39	*102*	37	37	37
Net fee and commission income	56	55	*102*	19	18	*104*	18	20	19
Other operating income	20	25	*80*	7	7	*98*	6	4	5
Total operating income	**192**	**195**	***98***	**66**	**64**	***102***	**62**	**61**	**62**
Operating costs	163	159	*103*	54	55	*98*	54	52	57
Profit before impairment charges	**29**	**36**	***79***	**12**	**9**	***130***	**8**	**9**	**5**
Impairment charges, net	-7	2	*- 339*	-3	0		-5	4	0
Operating profit	**36**	**34**	***106***	**15**	**9**	***171***	**13**	**4**	**4**
Investment portfolio earnings	31	38	*82*	10	14	*69*	7	9	9
Profit before tax	**67**	**72**	***93***	**24**	**23**	***107***	**20**	**14**	**14**
Loans and advances	5,060	4,532	*112*	5,060	4,863	*104*	4,754	4,647	4,532
Deposits and other debt	6,730	6,108	*110*	6,730	6,585	*102*	6,248	6,121	6,108
Mortgage credit	2,168	2,203	*98*	2,168	2,214	*98*	2,223	2,217	2,203
Number of FTE, end of period	81	77	*105*	81	76	*106*	80	77	77

Comments on this page refer to the development in the current year compared to the same period last year.

Corporate Banking

A slight decline in lending was offset by strong growth in mortgage lending.

DKKm	Q1-Q3 2026	Q1-Q3 2025	*Index*	Q3 2026	Q2 2026	*Index*	Q1 2026	Q4 2025	Q3 2025
Net interest income	124	121	*102*	42	42	*100*	40	42	39
Net fee and commission income	22	18	*124*	8	7	*104*	7	7	6
Other operating income	11	16	*67*	4	4	*117*	3	4	3
Total operating income	**157**	**155**	***101***	**54**	**53**	***101***	**50**	**53**	**49**
Operating costs	37	33	*112*	12	12	*102*	12	12	10
Profit before impairment charges	**121**	**122**	***99***	**42**	**41**	***101***	**38**	**41**	**38**
Impairment charges, net	5	-4	*-127*	-2	3	*-74*	4	-6	-9
Operating profit	**116**	**126**	***92***	**44**	**38**	***114***	**34**	**47**	**47**
Investment portfolio earnings	27	33	*82*	8	12	*66*	6	9	8
Profit before tax	**143**	**159**	***90***	**52**	**51**	***102***	**40**	**56**	**56**
Loans and advances	4,870	5,068	*96*	4,870	4,925	*99*	5,020	5,023	5,068
Deposits and other debt	4,923	4,726	*104*	4,923	4,828	*102*	4,864	4,835	4,726
Mortgage credit	790	585	*135*	790	800	*99*	871	606	585
Number of FTE, end of period	16	13	*116*	16	15	*106*	15	13	13

Comments on this page refer to the development in the current year compared to the same period last year.

Banking – Faroe Islands

Strong growth in core income underpinned by growth in loans, deposits and mortgage credit.

DKKm	Q1-Q3 2026	Q1-Q3 2025	*Index*	Q3 2026	Q2 2026	*Index*	Q1 2026	Q4 2025	Q3 2025
Net interest income	214	205	*104*	73	72	*102*	68	69	68
Net fee and commission income	66	61	*108*	23	22	*103*	21	23	21
Other operating income	25	36	*70*	9	9	*99*	7	7	7
Total Operating income	**305**	**302**	***101***	**105**	**103**	***102***	**97**	**99**	**96**
Operating costs	169	161	*105*	56	57	*99*	55	54	58
Profit before impairment charges	**136**	**141**	***96***	**49**	**46**	***106***	**41**	**45**	**38**
Impairment charges, net	1	13	*5*	-4	0		5	-1	7
Operating profit	**135**	**128**	***105***	**53**	**46**	*116*	**36**	**47**	**32**
Investment portfolio earnings	48	56	*85*	15	22	*68*	11	15	14
Profit before tax	**183**	**185**	***99***	**68**	**68**	***100***	**47**	**61**	**46**
Loans and advances	9,062	8,490	*107*	9,062	8,856	*102*	8,821	8,690	8,490
Deposits and other debt	9,682	9,238	*105*	9,682	9,515	*102*	9,590	9,581	9,238
Mortgage credit	1,936	1,717	*113*	1,936	1,962	*99*	1,969	1,713	1,717
Operating costs/income, %	55	53		54	55		57	54	60
Number of FTE, end of period	161	156	*103*	161	152	*106*	158	156	156

Comments on this page refer to the development in the current year compared to the same period last year.

Banking – Greenland

Significant increase in deposits. Lower economic activity in general, resulting in reduced demand for financing.

DKKm	Q1-Q3 2026	Q1-Q3 2025	*Index*	Q3 2026	Q2 2026	*Index*	Q1 2026	Q4 2025	Q3 2025
Net interest income	27	32	*86*	9	10	*91*	9	9	9
Net fee and commission income	12	12	*107*	4	4	*109*	5	4	4
Other operating income	5	4	*111*	2	1	*148*	2	1	1
Total operating income	**45**	**48**	***93***	**14**	**14**	***100***	**16**	**14**	**14**
Operating costs	31	30	*102*	10	10	*98*	11	10	9
Profit before impairment charges	**14**	**17**	***78***	**4**	**4**	***107***	**5**	**4**	**5**
Impairment charges	-3	-14	*22*	0	3	*-13*	-6	-1	-15
Operating profit	**17**	**32**	***52***	**5**	**1**	***493***	**11**	**5**	**20**
Investment portfolio earnings	11	15	*71*	3	5	*66*	2	3	3
Profit before tax	**27**	**47**	***58***	**8**	**6**	***138***	**13**	**9**	**24**
Loans and advances	868	1,110	*78*	868	932	*93*	952	980	1,110
Deposits and other debt	1,971	1,597	*123*	1,971	1,898	*104*	1,522	1,375	1,597
Mortgage credit	1,022	1,072	*95*	1,022	1,053	*97*	1,125	1,111	1,072
Operating costs/income, %	70	64		69	71		68	72	65
Number of FTE, end of period	21	17	*122*	21	20	*105*	20	17	17

Comments on this page refer to the development in the current year compared to the same period last year.

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Trygd

The result is impacted by a high level of claims.

DKKm	Q1-Q3 2026	Q1-Q3 2025	*Index*	Q3 2026	Q2 2026	*Index*	Q1 2026	Q4 2025	Q3 2025
Premium income, net of reinsurance	129	124	*105*	44	43	*102*	43	42	42
Claims, net of reinsurance	94	71	*132*	37	31	*118*	27	22	25
Net insurance income	**35**	**53**	***67***	**7**	**11**	***61***	**17**	**20**	**17**
Net income from investment activities	6	5	*118*	0	7	*2*	-1	2	4
Operating income	**41**	**58**	***71***	**7**	**18**	***39***	**16**	**22**	**20**
Operating costs	23	21	*108*	8	8	*105*	7	7	7
Profit before tax	**19**	**37**	*50*	**-1**	**11**	***-8***	**9**	**15**	**14**
Combined ratio	91	77		102	92		80	72	78
Claims ratio	73	58		84	73		61	52	59
Number of FTE, end of period	20	21	*95*	20	21	*94*	21	21	21

Comments on this page refer to the development in the current year compared to the same period last year.

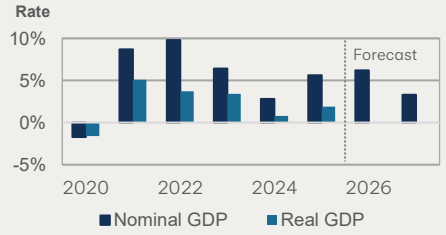
The Faroese and Greenlandic economies



Faroese economic outlook

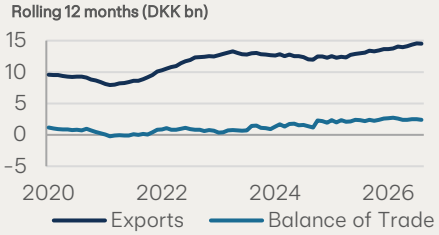
GDP and Inflation

- Real GDP growth: 1.9% in 2025 vs. 0.8% in 2024.
- Growth drivers: strong growth in primary industries, modest growth in services, while manufacturing declined.
- Inflation: 2.5% YoY in August vs. 2.4% in May.



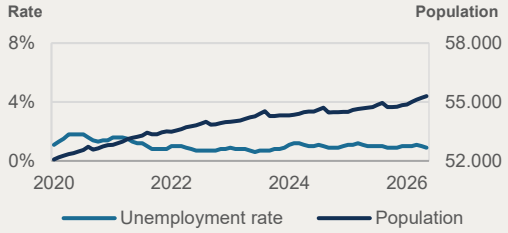
Exports and Trade

- Total exports of goods: DKK 14.5bn (+1.4bn YoY) in August.
- Seafood exports: ~95% of total exports of goods, split about equally between aquaculture and fisheries.
- Growth drivers: salmon (+1.1bn YoY) and demersal fisheries - cod, haddock & saithe (+0.6bn). Mackerel decreased (-0.3bn).
- Goods trade surplus: DKK 2.4bn in August.



Labour market and population growth

- Unemployment rate: very low at 0.9% in August.
- Labour force: 84% of the population aged 15-74 in 2025, the highest in Europe.
- Population growth: increased by 1.4% YoY in August and 4.2% in total over the last 5 years.



Key risk factors

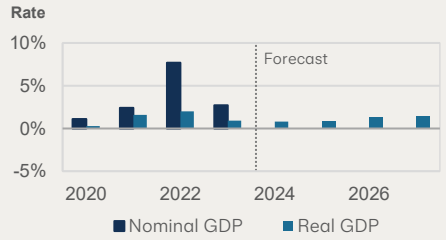
- Seafood dependence: high exposure to price declines, weaker demand and reduced fishing quotas.
- Labour shortages: a limited workforce and the emigration of skilled young people constrain economic growth.
- Fiscal pressures: government and municipal deficits, while an ageing population will increase pension and healthcare costs in the future.
- Housing market: rising house prices and housing shortages reduce affordability for first-time buyers.
- Geopolitical tensions: potential impact on energy prices and inflation.

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Greenlandic economic outlook

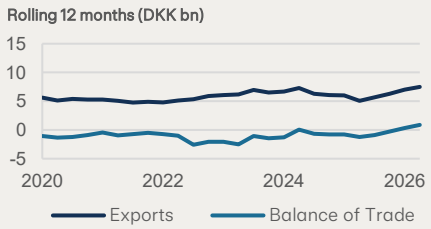
GDP and Inflation

- Real GDP growth: below 1% in 2023-2025 but expected to increase to 1.3% in 2026 and 1.5% in 2027.
- Growth drivers: strong growth in fisheries, rising private consumption and increased purchasing power.
- Inflation: 2.6% YoY in July vs. 3.7% in January.



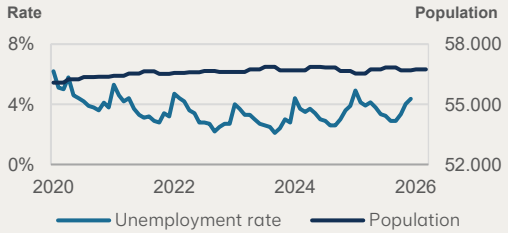
Exports and Trade

- Total exports of goods: DKK 7.5bn (+2.4bn YoY) in June.
- Seafood exports: ~90% of total exports of goods, highly concentrated on three species - shrimp, cod and halibut.
- Growth drivers: cod (+0.8bn YoY) and halibut (+0.4bn).
- Goods trade surplus: DKK 0.9bn in June.



Labour market and population growth

- Unemployment rate: 3.8% in 2025 vs. 3.4% in 2024 - expected to decrease in 2026 to same level as in 2024.
- Population growth: slow at 0.4% YoY in Q1 and 0.6% in total over the last 5 years.



Key risk factors

- Economic concentration: high dependence on fisheries. Tourism offers significant growth potential but faces capacity constraints.
- Public finances: the fiscal position weakened significantly in 2025, but the Danish block grant provides a stabilising effect.
- Labour shortages: continued economic growth will increase the need for foreign labour.
- Demographic pressures: population ageing poses a major long-term challenge.
- Geopolitical tensions: potential impact on energy prices and inflation.

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