

Føroya Banki

# Interim Report

Q1 2025

## Contents

### MANAGEMENT'S REPORT

• Financial highlights and ratios.....	3
• Financial review.....	4
- Q1 2025 Highlights.....	4
- Income statement.....	4
- Balance sheet.....	5
- Capital and Liquidity.....	6
- Compliance with the Danish FSA Supervisory Diamond .....	6
- Events after the balance sheet date.....	6
- Guidance for 2025.....	6
- Adjusted results.....	7
• Segments .....	8
- Personal Banking.....	9
- Corporate Banking.....	10
- Insurance: Trygd.....	11

### FINANCIAL STATEMENTS

• Income statement .....	12
• Balance sheet .....	14
• Statement of capital .....	16
• Capital and Solvency .....	18
• Cash flow statement .....	19
• Notes to the financial statements .....	20

Statement by the Executive Board and the Board of Directors .....	27
---	----

CONTACT DETAILS .....	28
-----------------------	----

## Financial highlights and ratios - Føroya Banki Group

Highlights	Q1	Q1	Index	Q1	Q4	Q3	Q2	Q1	
	DKK 1,000	2025		2024	25 / 24	2025	2024	2024	2024
Net interest income		98,209	113,520	87	98,209	103,019	111,609	114,103	113,520
Dividends from shares and other investments		148	1		148	0	0	11,996	1
Net fee and commission income		21,162	21,496	98	21,162	20,515	19,354	17,387	21,496
Net interest and fee income		119,520	135,016	89	119,520	123,534	130,963	143,486	135,016
Net insurance result		10,720	9,418	114	10,720	7,463	18,450	12,416	9,418
Interest and fee income and income from insurance activities, net		130,240	144,434	90	130,240	130,997	149,414	155,902	144,434
Market value adjustments		13,064	6,972	187	13,064	12,056	26,442	-127	6,972
Other operating income		2,905	2,388	122	2,905	1,889	3,092	2,326	2,388
Staff costs and administrative expenses		62,880	58,382	108	62,880	65,929	62,476	61,582	58,382
Impairment charges on loans and advances etc.		5,110	22,730	22	5,110	-11,400	-5,619	-6,783	22,730
<b>Net profit</b>		<b>60,930</b>	<b>55,038</b>	<b>111</b>	<b>60,930</b>	<b>72,342</b>	<b>96,047</b>	<b>87,000</b>	<b>55,038</b>
Loans and advances		9,270,369	8,915,364	104	9,270,369	9,086,392	9,072,315	9,022,744	8,915,364
Bonds at fair value		1,741,261	1,409,035	124	1,741,261	1,757,200	1,348,484	1,323,609	1,409,035
Intangible assets		4,679	5,347	88	4,679	5,084	5,558	4,993	5,347
Assets held for sale		2,207	0		2,207	2,207	0	0	0
Total assets		14,800,460	13,377,435	111	14,800,460	14,511,644	14,055,478	13,491,880	13,377,435
Amounts due to credit institutions and central banks		801,355	688,191	116	801,355	823,455	962,792	683,841	688,191
Issued bonds at amortised cost		803,231	982,496	82	803,231	981,190	984,002	985,414	982,496
Deposits and other debt		10,298,759	8,999,102	114	10,298,759	10,003,348	9,353,549	9,173,368	8,999,102
Total shareholders' equity		1,787,925	1,824,127	98	1,787,925	2,076,037	2,003,695	1,909,388	1,824,127
		<b>March 31</b>	<b>March 31</b>		<b>March 31</b>	<b>Dec. 31</b>	<b>Sept. 30</b>	<b>June 30</b>	<b>March 31</b>
		<b>2025</b>	<b>2024</b>		<b>2025</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
<b>Ratios and key figures</b>									
<b>Solvency</b>									
Total capital, incl. MREL capital, ratio, %		36.0	39.9		36.0	36.3	37.9	40.8	39.9
Total capital ratio, %		24.9	28.6		24.9	25.2	26.5	29.2	28.6
Tier 1 capital ratio, %		23.5	27.0		23.5	23.8	25.1	27.5	27.0
CET 1 capital		23.5	25.0		23.5	23.8	25.1	25.6	25.0
RWA, DKK mill		7,271	7,019		7,271	7,180	6,993	6,859	7,019
<b>Profitability</b>									
Return on shareholders' equity after tax, %		3.2	3.0		3.2	3.5	4.9	4.7	3.0
Cost / income, %		48.3	54.4		48.3	39.6	33.2	35.2	54.4
Cost / income, % (excl. value adjustm. and impairments)		49.2	41.5		49.2	51.8	42.7	39.4	41.5
Return on assets		0.4	0.4		0.4	0.5	0.7	0.6	0.4
<b>Market risk</b>									
Interest rate risk, %		1.2	0.8		1.2	1.2	1.0	0.9	0.8
Foreign exchange position, %		0.6	0.8		0.6	0.8	0.8	0.6	0.8
Foreign exchange risk, %		0.0	0.0		0.0	0.0	0.0	0.0	0.0
<b>Liquidity</b>									
Liquidity Coverage Ratio (LCR), %		261.1	283.6		261.1	337.4	302.2	285.6	283.6
Net Stable Funding Ratio. (NSFR), %		151.0	156.3		151.0	154.5	156.6	154.4	156.3
<b>Credit risk</b>									
Change in loans and advances, %		2.0	0.4		2.0	0.2	0.5	1.2	0.4
Gearing of loans and advances		5.2	4.9		5.2	4.4	4.5	4.7	4.9
Impairment and provisioning ratio, end of period, %		1.8	2.0		1.8	1.8	1.9	2.0	2.0
Write-off and provisioning ratio, %		0.0	0.2		0.0	-0.1	-0.1	-0.1	0.2
Share of amounts due on which interest rates have been reduced, end of period, %		0.3	0.2		0.3	0.2	0.2	0.2	0.2
<b>Shares</b>									
Earnings per share after tax (nom. DKK 20), DKK		6.4	5.7		6.4	7.6	10.0	9.1	5.7
Market price per share (nom. DKK 20), DKK		171.0	153.0		171.0	162.0	152.0	150.0	153.0
Book value per share (nom. DKK 20), DKK		186.8	190.5		186.8	216.8	209.3	199.4	190.5
<b>Other</b>									
Number of full-time employees, end of period		204	209		204	207	206	209	209

## Financial Review

“Today, we can present a satisfactory profit after tax of DKK 61m for the first quarter. The first three months of the year were characterised by increasing customer numbers and decent growth across deposits, lending and mortgage credit. Interest, fee and insurance activity incomes were a little above expectations due, in particular, to higher lending growth and a solid insurance result. Costs were in line with expectations, while impairment charge levels reflect the still sound creditworthiness of our customers. Our ongoing work to develop excellent digital solutions for our customers passed yet another milestone with the launch of a new chatbot designed to make being a customer of the Bank easier – and which is also the first chatbot that can understand and respond to customers’ enquiries in Faroese. We have a positive outlook on the rest of the year, though with the proviso that we have not yet felt the full impact of the ongoing rate cuts or of the potential negative economic consequences of the current geopolitical unrest and the risk of an intensified trade war,” says Turið F. Arge, CEO Føroya Banki.

### Q1 2025 Highlights

#### Adjusted Income statement, Group

DKKm	Q1 2025	Q1 2024	Index	Q1 2025	Q4 2024	Index	Q3 2024	Q2 2024	Q1 2024
Net interest income	76	92	83	76	78	98	87	90	92
Net fee and commission income	20	19	102	20	19	103	18	17	19
Net insurance income	16	12	131	16	10	151	20	15	12
Other operating income (less reclassification)	13	11	117	13	9	138	10	10	11
<b>Total operating income</b>	<b>125</b>	<b>135</b>	<b>93</b>	<b>125</b>	<b>117</b>	<b>106</b>	<b>135</b>	<b>132</b>	<b>135</b>
Operating costs <sup>1</sup>	-69	-65	106	-69	-72	96	-69	-68	-65
<b>Profit before impairment charges</b>	<b>56</b>	<b>70</b>	<b>80</b>	<b>56</b>	<b>46</b>	<b>123</b>	<b>66</b>	<b>63</b>	<b>70</b>
Impairment charges, net	-5	-23	22	-5	11	-45	6	7	-23
<b>Operating profit</b>	<b>51</b>	<b>47</b>	<b>107</b>	<b>51</b>	<b>57</b>	<b>89</b>	<b>72</b>	<b>70</b>	<b>47</b>
Investment portfolio earnings <sup>2</sup>	25	23	109	25	31	81	48	35	23
<b>Profit before tax</b>	<b>76</b>	<b>70</b>	<b>108</b>	<b>76</b>	<b>88</b>	<b>86</b>	<b>119</b>	<b>105</b>	<b>70</b>
Operating costs/income, %	55	48		55	61		51	52	48
Number of FTE, end of period	204	209	98	204	207	98	206	209	209

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 Q4 2024. Due to seasonal variations, comments provided on the insurance segment relate to Q1 2024.

#### Operating income

The Føroya Banki Group generated operating income of DKK 125m in Q1 2025, DKK 8m higher than in the prior quarter, driven by net insurance income and other operating income outweighing a slight fall in net interest income.

#### Net interest income

Net interest income was DKK 76m in Q1 2025, a decrease of DKK 2m compared to Q4 2024 due to a general margin decrease, partially mitigated by increased lending and deposit volumes.

#### Net fee and commission income

Net fee and commission income amounted to DKK 20m in Q1 2025, DKK 1m higher than in Q4 2024 driven

by increased trading activity.

**Net insurance income**

Net insurance income was DKK 16m in Q1 2025, DKK 4m higher than in Q1 2024. The increase was driven both by higher premium income and lower claims in Q1 2025.

**Other operating income**

Other operating income was DKK 13m in Q1 2025, up DKK 4m on the prior quarter. The increase was mainly due to an extraordinary value adjustment of the Bank's sector shares.

**Operating costs**

Operating costs amounted to DKK 69m in Q1 2025, DKK 3m lower than in Q4 2024, reflecting a return to the level prior to Q4 2024.

**Profit before impairment charges**

Profit before impairment charges was DKK 56m in Q1 2025 compared to DKK 46m in Q4 2024.

**Impairment charges**

Net impairment amounted to a charge of DKK 5m in Q1 2025 compared to a reversal of DKK 11m in Q4 2024. The impairments relate to a few individual corporate customers, and 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 maintained at DKK 101.5m in Q1 2025.

**Operating profit**

The resulting operating profit was DKK 51m in Q1 2025, a decrease from the DKK 57m seen in Q4 2024.

**Investment portfolio earnings**

Investment portfolio earnings amounted to DKK 25m in Q1 2025, down from DKK 31m in Q4 2024. The difference was mainly due to the slightly lower central bank interest rate and lower earnings on the Bank's bond portfolio.

**Profit before tax**

Profit before tax in Q1 2025 was DKK 76m, DKK 12m lower than the pre-tax profit of DKK 88m reported for Q4 2024, but higher than the Bank's original estimate for the period.

The Bank is pleased with both the increased operating income as well as the fall in operating costs quarter on quarter. The most significant drivers for the lower profit before tax between Q1 2025 and Q4 2024 are increased impairments as well as slightly lower investment portfolio earnings.

**Balance sheet**

Føroya Banki Group's total assets at 31 March 2025 amounted to DKK 14.8bn, up by DKK 0.3bn compared to 31 December 2024. Loans and advances were DKK 9.3bn, DKK 184m higher than at 31 December 2024. Deposits were DKK 10.3bn, up by DKK 295m compared to 31 December 2024. Liquidity invested in Danish mortgage bonds and Danish government bonds amounted to DKK 1.7bn, a decrease of DKK 16m compared

to 31 December 2024. Liquidity invested in equities amounted to DKK 316m, an increase of DKK 30m relative to 31 December 2024. Shareholders' equity at 31 March 2025 amounted to DKK 1,788m, down by DKK 288m, net compared to 31 December 2024 due to dividend payments in the amount of DKK 350m.

## Capital and Liquidity

At 31 March 2025, the Group's CET1 capital ratio was 23.5%, the Tier 1 capital ratio was 23.5% and the Total capital ratio was 24.9%. The Total capital ratio, incl. MREL capital, was 36.0%. The net profit for Q1 2025, amounting to DKK 60.9m, is not included in the calculation of the capital ratios. The Group's liquidity indicator was 244.6% on 31 March 2025, well above the requirement of 100%. The Group's LCR at 31 March 2025 was 261.1%, also well above the requirement of 100%. The Group's Net Stable Funding Ratio (NSFR) was 151.0% at 31 March 2025, well above the requirement of 100%.

## Compliance with the Danish FSA Supervisory Diamond

<b>The Supervisory Diamond</b>			
	<b>Q1 2025</b>	<b>Q1 2024</b>	<b>FSA limit</b>
Sum of large exposures	144.6%	133.9%	< 175%
Liquidity indicator	244.6%	278.3%	>100 %
Loan growth	4.0%	6.7%	< 20 %
Property exposure	11.6%	13.3%	< 25 %

At 31 March 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 31 March 2025 that are deemed to have a significant impact on the Group's financial position.

## Guidance for 2025

The Bank announced its guidance for 2025 on 28 January. The guidance for the year is maintained at a net profit in the DKK 210-240m range, return on equity between 10.4% and 11.9% and impairments at 0.30 pp of loans.

The guidance is subject to uncertainty, including with regard to 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 2025, Group, DKK 1,000	Income statement	Restatement	Restated income statement
1, 4	Net interest income	98,209	-21,877	76,332
2, 5	Net fee and commission income	21,311	-1,483	19,828
4, 6, 7	Net insurance income	10,720	4,831	15,551
2, 3	Other operating income	2,905	10,113	13,018
	<b>Operating income</b>	<b>133,145</b>	<b>-8,416</b>	<b>124,729</b>
5, 6	Operating costs	65,459	3,326	68,785
	<b>Profit before impairment charges</b>	<b>67,685</b>	<b>-11,742</b>	<b>55,943</b>
	Impairment charges	5,110	0	5,110
	<b>Operating profit</b>	<b>62,576</b>	<b>-11,742</b>	<b>50,834</b>
1, 3, 7	Investment portfolio earnings	13,064	11,742	24,806
	<b>Profit before tax</b>	<b>75,640</b>	<b>0</b>	<b>75,640</b>
<b>Note Adjusted Income statement Q1 2024, Group, DKK 1,000</b>				
1, 4	Net interest income	113,520	-21,083	92,437
2, 5	Net fee and commission income	21,496	-2,141	19,355
4, 6, 7	Net insurance income	9,418	2,450	11,868
2, 3	Other operating income	2,388	8,695	11,083
	<b>Operating income</b>	<b>146,822</b>	<b>-12,079</b>	<b>134,743</b>
5, 6	Operating costs	60,985	3,681	64,666
	<b>Profit before impairment charges</b>	<b>85,837</b>	<b>-15,760</b>	<b>70,077</b>
	Impairment charges	22,730	0	22,730
	<b>Operating profit</b>	<b>63,108</b>	<b>-15,760</b>	<b>47,348</b>
1, 3, 7	Investment portfolio earnings	6,972	15,760	22,732
	<b>Profit before tax</b>	<b>70,080</b>	<b>0</b>	<b>70,080</b>
<b>Note Restatements made to the income statement, DKK 1,000</b>				
			<b>Q1 2025</b>	<b>Q1 2024</b>
1	Reclassification of interest income related to bonds from the item Interest income to Investment portfolio earnings.		17,046	22,945
2	Dividends and fees reclassified from Net fee and commission income to Other operating income.		1,483	1
3	Reclassification of value adjustments related to sector shares and of profit or loss from currency transactions to Other operating income.		8,630	8,694
4	Reclassification of interest income to Net insurance income due to implementation of IFRS 17		4,831	1,862
5	Reclassification from Net fee and commission income to Operation costs due to implementation of IFRS 17		0	2,140
6	Reclassification of operating costs from Net insurance income to Operating costs due to implementation of IFRS 17		3,326	6,168
7	Reclassification of market value adjustments from net insurance income to Investment portfolio earnings due to implementation of IFRS 17		3,326	1,856

## Segments

Reference is made 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 about these two segments are provided on the following pages. The last page of the segment section sets out the performance of the Bank's subsidiary Trygd.

The Bank notes that slight changes have been made to the distribution of certain income and costs between the personal and corporate segments, which affects the quarterly figures in 2024 compared to previous reports.

### Adjusted Income statement, Banking

DKKm	Q1 2025	Q1 2024	Index	Q1 2025	Q4 2024	Index	Q3 2024	Q2 2024	Q1 2024
Net interest income	76	92	83	76	78	98	87	90	92
Net fee and commission income	24	23	103	24	23	103	22	21	23
Other operating income	11	10	110	11	9	122	9	9	10
<b>Total operating income</b>	<b>111</b>	<b>125</b>	<b>89</b>	<b>111</b>	<b>110</b>	<b>101</b>	<b>118</b>	<b>120</b>	<b>125</b>
Operating costs	-63	-59	107	-63	-67	95	-63	-62	-59
<b>Profit before impairment charges</b>	<b>48</b>	<b>66</b>	<b>72</b>	<b>48</b>	<b>44</b>	<b>109</b>	<b>55</b>	<b>58</b>	<b>66</b>
Impairment charges, net	-5	-23	22	-5	11	-45	6	7	-23
<b>Operating profit</b>	<b>43</b>	<b>44</b>	<b>98</b>	<b>43</b>	<b>55</b>	<b>77</b>	<b>61</b>	<b>65</b>	<b>44</b>
Investment portfolio earnings	25	19	131	25	29	87	43	33	19
<b>Profit before tax</b>	<b>68</b>	<b>63</b>	<b>108</b>	<b>68</b>	<b>84</b>	<b>81</b>	<b>104</b>	<b>97</b>	<b>63</b>
Loans and advances	9,272	8,915	104	9,272	9,086	102	9,072	9,023	8,915
Deposits and other debt	10,306	8,930	115	10,306	10,007	103	9,359	9,180	8,930
Mortgage credit	2,906	2,621	111	2,906	2,741	106	2,579	2,585	2,621
Operating costs/income, %	57	47		57	60		53	52	47
Number of FTE, end of period	174	178	98	174	177	98	175	178	178

## Personal Banking

The Personal Banking segment reported operating income of DKK 61m in Q1 2025, DKK 3m less than in Q4 2024. Net interest income was DKK 37m in Q1 2025, down DKK 3m compared to the prior quarter due to interest rate margins contracting slightly during the quarter and due to an increased portfolio of deposits, partly offset by increased lending in the quarter. Net fee and commission income was flat at DKK 18m in Q1 2025. Other operating income amounted to DKK 6m in Q1 2025, flat compared to Q4 2024.

Operating costs were DKK 52m in Q1 2025, a decrease of DKK 4m relative to Q4 2024, reflecting a return to the level seen prior to Q4 2024. Impairments amounted to DKK 3m in Q1 2025 compared to a reversal of DKK 2m in Q4 2024. The Bank remains of the opinion that customers in the personal banking segment continue to be robust. Declining market rates should strengthen customers' resilience further. The resulting operating profit for Q1 2025 was DKK 7m, a decrease of DKK 4m compared to the previous quarter.

Investment portfolio earnings posted to the personal banking segment amounted to DKK 13m in the first quarter of 2025 compared to DKK 15m in Q4 2024.

Profit before tax thus amounted to DKK 20m in Q1 2025, a decrease of DKK 6m relative to Q4 2024. However the Bank is satisfied that core operations in the Personal Banking segment improved, with profit before impairment charges increasing by DKK 1m in Q1 2025 to DKK 10m.

Loans and advances to personal customers increased by DKK 44m to DKK 4,418m at the end of Q1 2025, whereas brokered mortgage credit was down DKK 6m to DKK 2,169m, both compared to 31 December 2024. Deposits held by personal customers increased by DKK 276m during the quarter to DKK 6,505m on 31 March 2025.

### Adjusted Income statement, Personal banking

DKKm	Q1 2025	Q1 2024	Index	Q1 2025	Q4 2024	Index	Q3 2024	Q2 2024	Q1 2024
Net interest income	37	49	76	37	40	93	46	47	49
Net fee and commission income	18	18	101	18	18	101	17	16	18
Other operating income	6	5	116	6	6	97	11	6	5
<b>Total operating income</b>	<b>61</b>	<b>72</b>	<b>85</b>	<b>61</b>	<b>64</b>	<b>96</b>	<b>75</b>	<b>69</b>	<b>72</b>
Operating costs	-52	-48	108	-52	-55	93	-52	-51	-48
<b>Profit before impairment charges</b>	<b>10</b>	<b>24</b>	<b>40</b>	<b>10</b>	<b>9</b>	<b>112</b>	<b>23</b>	<b>18</b>	<b>24</b>
Impairment charges, net	-3	6	48	-3	2	-160	8	-4	6
<b>Operating profit</b>	<b>7</b>	<b>30</b>	<b>23</b>	<b>7</b>	<b>10</b>	<b>67</b>	<b>31</b>	<b>13</b>	<b>30</b>
Investment portfolio earnings	13	10	135	13	15	88	23	17	10
<b>Profit before tax</b>	<b>20</b>	<b>40</b>	<b>51</b>	<b>20</b>	<b>26</b>	<b>79</b>	<b>54</b>	<b>30</b>	<b>40</b>
Loans and advances	4,418	4,124	107	4,418	4,373	101	4,298	4,202	4,124
Deposits and other debt	6,505	5,788	112	6,505	6,228	104	6,161	6,161	5,788
Mortgage credit	2,169	2,191	99	2,169	2,175	100	2,160	2,174	2,191
Number of FTE, end of period	76	79	97	76	79	97	77	80	79

## Corporate Banking

Corporate Banking activities generated operating income of DKK 49m in Q1 2025, up 7% on the previous quarter. Net interest income increased by DKK 1m to DKK 39m, driven by an increase in lending volumes. Net fee and commission income was flat at DKK 6m, while other operating income increased from DKK 2m in Q4 2024 to DKK 4m in Q1 2025.

Operating costs were flat at DKK 11m in Q1 2025 compared to Q4 2024. Net impairment charges in Q1 2025 were DKK 2m compared to a reversal of DKK 10m in Q4 2024. The Bank remains of the view that its corporate client base continues to show solid creditworthiness. Declining markets rates should strengthen customers' creditworthiness further.

Operating profit for Q1 2025 amounted to DKK 36m, a decrease of DKK 9m relative to Q4 2024.

Investment portfolio earnings posted to the corporate banking segment in Q1 2025 totalled DKK 12m, DKK 2m lower than in the preceding quarter.

The resulting profit before tax for the quarter was DKK 47m compared to DKK 58m in the fourth quarter of 2024. However, the Bank is satisfied that core operations in the Corporate Banking segment improved, with profit before impairment charges increasing by DKK 3m in Q1 2025 to DKK 38m.

Corporate loans and advances rose by DKK 142m in Q1 2025 to DKK 4,855m at 31 March 2025. Customer deposits rose by DKK 23m during Q1 2025 to DKK 3,802m. Brokered mortgage credit rose by DKK 171m to DKK 736m at 31 March 2025 compared to 31 December 2024.

### Adjusted Income statement, Corporate Banking

DKKm	Q1 2025	Q1 2024	Index	Q1 2025	Q4 2024	Index	Q3 2024	Q2 2024	Q1 2024
Net interest income	39	43	90	39	38	102	40	43	43
Net fee and commission income	6	5	110	6	6	108	5	5	5
Other operating income	4	4	104	4	2	191	-2	3	4
<b>Total operating income</b>	<b>49</b>	<b>53</b>	<b>93</b>	<b>49</b>	<b>46</b>	<b>107</b>	<b>44</b>	<b>51</b>	<b>53</b>
Operating costs	-11	-11	104	-11	-11	104	-11	-11	-11
<b>Profit before impairment charges</b>	<b>38</b>	<b>42</b>	<b>90</b>	<b>38</b>	<b>35</b>	<b>109</b>	<b>33</b>	<b>40</b>	<b>42</b>
Impairment charges, net	-2	-29	8	-2	10	-24	-2	11	-29
<b>Operating profit</b>	<b>36</b>	<b>13</b>	<b>265</b>	<b>36</b>	<b>45</b>	<b>80</b>	<b>-2</b>	<b>11</b>	<b>13</b>
Investment portfolio earnings	12	9	127	12	14	86	20	16	9
<b>Profit before tax</b>	<b>47</b>	<b>23</b>	<b>209</b>	<b>47</b>	<b>58</b>	<b>81</b>	<b>50</b>	<b>67</b>	<b>23</b>
Loans and advances	4,855	4,791	101	4,855	4,713	103	4,774	4,821	4,791
Deposits and other debt	3,802	3,143	121	3,802	3,779	101	3,198	3,019	3,143
Mortgage credit	736	430	171	736	565	130	419	411	430
Number of FTE, end of period	15	15	99	15	15	99	15	15	15

## Insurance: Trygd

Trygd reported premium income of DKK 40m in Q1 2025, DKK 1m higher than in Q1 2024. In Q1 2025, claims were DKK 27m, DKK 5m lower than in Q1 2024. Net income from investment activities amounted to DKK 0m in Q1 2025 compared to DKK 3m in Q1 2024. As a result, operating income was DKK 14m in Q1 2025, DKK 3m higher than in Q1 2024.

Operating costs were DKK 7m in Q1 2025, flat compared to the first quarter of 2024. As a result, Trygd reported a profit before tax for Q1 2025 of DKK 7m, DKK 3m higher than in Q1 2024.

Trygd continues to consolidate its market position as a provider of non-life insurance in the Faroe Islands. An increased market share, focus on pricing structure as well as general market growth related to developments in the Faroese economy have driven an increase in premiums. This increase includes price indexation that follows the general inflation level on the Faroe Islands, albeit with a floor of 2%. 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 2025	Q1 2024	Index	Q1 2025	Q4 2024	Index	Q3 2024	Q2 2024	Q1 2024
Premium income, net of reinsurance	40	39	103	40	38	106	40	40	39
Claims, net of reinsurance	-27	-31	84	-27	-32	82	-22	-29	-31
<b>Net insurance income</b>	<b>14</b>	<b>8</b>	<b>182</b>	<b>14</b>	<b>6</b>	<b>247</b>	<b>18</b>	<b>11</b>	<b>8</b>
Net income from investment activities	0	3	2	0	2	3	4	2	3
<b>Operating income</b>	<b>14</b>	<b>11</b>	<b>127</b>	<b>14</b>	<b>7</b>	<b>191</b>	<b>21</b>	<b>13</b>	<b>11</b>
Operating costs	-7	-8	95	-7	-6	114	-7	-8	-8
<b>Profit before tax</b>	<b>7</b>	<b>3</b>	<b>205</b>	<b>7</b>	<b>1</b>	<b>758</b>	<b>14</b>	<b>5</b>	<b>3</b>
Combined ratio	87	99		87	102		74	93	99
Claims ratio	66	81		66	85		55	73	81
Number of FTE, end of period	23	23	100	23	23	100	23	23	23

## Income statement

Note	DKK 1,000	Group		Føroya Banki	
		Q1	Q1	Q1	Q1
		2025	2024	2025	2024
3	Interest income calculated using the effective interest method	123,499	132,347	142,841	156,201
3	Other interest income	19,342	23,854		
4	Interest expenses	44,632	42,681	44,632	42,681
	<b>Net interest income</b>	<b>98,209</b>	<b>113,520</b>	<b>98,209</b>	<b>113,520</b>
	Dividends from shares and other investments	148	1	148	1
5	Fee and commission income	22,542	22,876	25,385	24,688
5	Fee and commissions paid	1,380	1,380	1,380	1,380
	<b>Net dividend, fee and commission income</b>	<b>21,311</b>	<b>21,496</b>	<b>24,154</b>	<b>23,309</b>
	<b>Net interest and fee income</b>	<b>119,520</b>	<b>135,016</b>	<b>122,363</b>	<b>136,828</b>
	Insurance revenue	49,017	47,951		
	Insurance service expenses	36,660	40,828		
	Net return on investments backing insurance liabilities	-747	2,781		
	Net finance income or expense from insurance	576	1,101		
	Other expenses	1,465	1,587		
	<b>Net insurance result</b>	<b>10,720</b>	<b>9,418</b>	<b>0</b>	<b>0</b>
	<b>Interest and fee income and income from insurance activities, net</b>	<b>130,240</b>	<b>144,434</b>	<b>122,363</b>	<b>136,828</b>
6	Market value adjustments	13,064	6,972	13,064	6,972
7	Other operating income	2,905	2,388	494	558
8	Staff costs and administrative expenses	62,880	58,382	60,667	56,401
	Amortisation, depreciation and impairment charges	2,139	2,106	2,067	2,020
	Other operating expenses	440	497	440	497
9	Impairment charges on loans and advances etc.	5,110	22,730	5,110	22,730
	Income from investments accounted for under the equity method	0	0	6,562	6,043
	<b>Profit before tax</b>	<b>75,640</b>	<b>70,080</b>	<b>74,200</b>	<b>68,753</b>
	Tax	14,711	15,041	13,271	13,715
	<b>Net profit</b>	<b>60,930</b>	<b>55,038</b>	<b>60,930</b>	<b>55,038</b>
	Portion attributable to				
	Shareholders of Føroya Banki P/F	60,930	53,299	60,930	53,299
	Owners of additional Tier 1 capital	0	1,739	0	1,739
	<b>Net profit</b>	<b>60,930</b>	<b>55,038</b>	<b>60,930</b>	<b>55,038</b>
	EPS Basic for the period, DKK*	6.36	5.75	6.36	5.75
	EPS Diluted for the period, DKK*	6.36	5.75	6.36	5.75

\*Based on average number of shares outstanding.

**Statement of comprehensive income - Føroya Banki**

DKK 1,000	Group		Føroya Banki	
	Q1	Q1	Q1	Q1
	2025	2024	2025	2024
Net profit	60,930	55,038	60,930	55,038
<b>Other comprehensive income</b>				
Total other comprehensive income	0	0	0	0
<b>Total comprehensive income</b>	<b>60,930</b>	<b>55,038</b>	<b>60,930</b>	<b>55,038</b>

**Balance Sheet**

Note	DKK 1,000	Group		Føroya Banki	
		March 31 2025	Dec. 31 2024	March 31 2025	Dec. 31 2024
<b>Assets</b>					
	Cash in hand and demand deposits with central banks	2,789,285	2,696,305	2,764,996	2,695,918
10	Amounts due from credit institutions and central banks	328,426	310,797	328,426	310,797
9	Loans and advances at fair value	315,058	319,297	317,058	319,297
9	Loans and advances at amortised cost	8,955,312	8,767,094	8,955,312	8,767,094
	Bonds at fair value	1,741,261	1,757,200	1,564,467	1,559,697
	Shares, etc.	315,568	285,845	198,263	188,358
	Assets under insurance contracts	11,003	4,786	0	0
	Holdings in associates	18,563	18,563	18,563	18,563
	Holdings in subsidiaries	0	0	151,996	145,434
	Assets under pooled schemes and unit-linked investment contracts	66,552	61,610	62,997	58,055
	Intangible assets	4,679	5,084	929	1,084
	Total land and buildings	110,835	111,810	110,835	111,810
	Domicile property	54,466	54,377	54,466	54,377
	Domicile property (lease asset)	56,369	57,432	56,369	57,432
	Other property, plant and equipment	14,303	15,008	12,505	13,067
	Current tax assets	12,835	21,818	12,835	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	97,508	88,408	85,402	89,312
	Prepayments	5,814	34,561	3,771	32,781
	<b>Total assets</b>	<b>14,800,460</b>	<b>14,511,644</b>	<b>14,601,734</b>	<b>14,346,463</b>

## Balance Sheet

Note	Group		Føroya Banki	
	March 31 2025	Dec. 31 2024	March 31 2025	Dec. 31 2024
<b>Shareholders' equity and liabilities</b>				
<b>Liabilities other than provisions</b>				
Amounts due to credit institutions and central banks	801,355	823,455	801,355	823,455
Deposits and other debt	10,298,759	10,003,348	10,305,944	10,014,704
Deposits under pooled schemes and unit-linked investments contracts	66,552	61,610	62,997	58,055
Issued bonds at amortised cost	803,231	981,190	803,231	981,190
Liabilities under insurance contracts	182,278	158,485	0	0
Current tax liabilities	88,324	73,613	81,041	67,770
Other liabilities	665,644	226,573	653,615	220,192
Deferred income	2,145	3,927	1,887	2,162
<b>Total liabilities other than provisions</b>	<b>12,908,288</b>	<b>12,332,200</b>	<b>12,710,070</b>	<b>12,167,528</b>
<b>Provisions for liabilities</b>				
Provisions for deferred tax	508	508	0	0
Provisions for losses on guarantees etc	2,292	1,263	2,292	1,263
Provisions for other liabilities	1,622	1,846	1,622	1,846
<b>Total provisions for liabilities</b>	<b>4,422</b>	<b>3,617</b>	<b>3,914</b>	<b>3,109</b>
<b>Subordinated debt</b>				
Subordinated debt	99,825	99,790	99,825	99,790
<b>Total liabilities</b>	<b>13,012,535</b>	<b>12,435,607</b>	<b>12,813,809</b>	<b>12,270,426</b>
<b>Equity</b>				
Share capital	192,000	192,000	192,000	192,000
Revaluation reserve	6,718	6,718	6,718	6,718
Retained earnings	1,589,207	1,527,319	1,589,207	1,527,319
Proposed dividends	0	350,000	0	350,000
<b>Shareholders of the Parent Company</b>	<b>1,787,925</b>	<b>2,076,037</b>	<b>1,787,925</b>	<b>2,076,037</b>
Additional tier 1 capital holders	0	0	0	0
<b>Total equity</b>	<b>1,787,925</b>	<b>2,076,037</b>	<b>1,787,925</b>	<b>2,076,037</b>
<b>Total liabilities and equity</b>	<b>14,800,460</b>	<b>14,511,644</b>	<b>14,601,734</b>	<b>14,346,463</b>

## Statement of changes in equity - Føroya Banki Group

DKK 1,000	Shareholders equity						Additional tier 1 capital	Total
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	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			0	60,930	60,930	0	60,930	
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>60,930</b>	<b>60,930</b>	<b>0</b>	<b>60,930</b>	
Dividends paid			-350,000	958	-349,042		-349,042	
<b>Shareholders' equity at March 31, 2025</b>	<b>192,000</b>	<b>6,718</b>	<b>0</b>	<b>1,589,207</b>	<b>1,787,925</b>	<b>0</b>	<b>1,787,925</b>	

DKK 1,000	Shareholders equity						Additional tier 1 capital	Total
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	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	
<b>Total comprehensive income</b>		<b>-1,230</b>	<b>350,000</b>	<b>-43,562</b>	<b>305,208</b>	<b>5,218</b>	<b>310,427</b>	
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	
<b>Shareholders' equity at December 31, 2024</b>	<b>192,000</b>	<b>6,718</b>	<b>350,000</b>	<b>1,527,319</b>	<b>2,076,037</b>	<b>0</b>	<b>2,076,037</b>	

DKK 1,000	Shareholders equity						Additional tier 1 capital	Total
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	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				53,299	53,299	1,739	55,038	
<b>Total comprehensive income</b>				<b>53,299</b>	<b>53,299</b>	<b>1,739</b>	<b>55,038</b>	
Dividends paid			-80,000	219	-79,781		-79,781	
<b>Shareholders' equity at March 31, 2024</b>	<b>192,000</b>	<b>7,948</b>	<b>0</b>	<b>1,624,180</b>	<b>1,824,127</b>	<b>153,271</b>	<b>1,977,399</b>	

## Statement of changes in equity - Føroya Banki P/F

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	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				60,930	60,930	0	60,930	
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>60,930</b>	<b>60,930</b>	<b>0</b>	<b>60,930</b>	
Dividends paid			-350,000	958	-349,042		-349,042	
<b>Shareholders' equity at March 31, 2025</b>	<b>192,000</b>	<b>6,718</b>	<b>0</b>	<b>1,589,207</b>	<b>1,787,925</b>	<b>0</b>	<b>1,787,925</b>	

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	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	
<b>Total comprehensive income</b>		<b>-1,230</b>	<b>350,000</b>	<b>-43,562</b>	<b>305,208</b>	<b>5,218</b>	<b>310,427</b>	
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	
<b>Shareholders' equity at December 31, 2024</b>	<b>192,000</b>	<b>7,948</b>	<b>80,000</b>	<b>1,527,319</b>	<b>2,076,037</b>	<b>0</b>	<b>2,076,037</b>	

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	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				53,299	53,299	1,739	55,038	
<b>Total comprehensive income</b>				<b>53,299</b>	<b>53,299</b>	<b>1,739</b>	<b>55,038</b>	
Dividends paid			-80,000	219	-79,781		-79,781	
<b>Shareholders' equity at March 31, 2024</b>	<b>192,000</b>	<b>7,948</b>	<b>0</b>	<b>1,624,180</b>	<b>1,824,127</b>	<b>153,271</b>	<b>1,977,399</b>	

**Capital and Solvency - P/F Føroya Banki**

Solvency DKK 1,000	March 31 2025	Dec. 31 2024
Tier 1 capital	1,711,230	1,712,027
Total capital	1,811,055	1,811,817
Risk-weighted items not included in the trading portfolio	5,977,937	5,835,110
Risk-weighted items with market risk etc.	339,576	391,442
Risk-weighted items with operational risk	953,926	953,926
<b>Total risk-weighted items</b>	<b>7,271,440</b>	<b>7,180,478</b>
<b>CET 1 capital ratio</b>	<b>23.5%</b>	<b>23.8%</b>
<b>Tier 1 capital ratio</b>	<b>23.5%</b>	<b>23.8%</b>
<b>Total capital ratio</b>	<b>24.9%</b>	<b>25.2%</b>
<b>Total capital, incl. MREL capital, ratio</b>	<b>36.0%</b>	<b>36.3%</b>
<b>Shareholders' equity</b>		
Share capital	192,000	192,000
Reserves	6,718	6,718
Net profit	60,930	310,427
Retained earnings, previous years	1,532,773	1,571,152
<b>Shareholders' equity, before deduction of holdings of own shares</b>	<b>1,792,420</b>	<b>2,080,296</b>
Deduction of ordinary dividend	0	217,000
Deduction of extraordinary dividend	0	133,000
Deduction of net profit for Q1 2025	60,930	0
Deduction due to excess holdings of shares in the financial sector	1,896	0
Deduction of holdings of own shares	4,495	4,259
Deduction of intangible assets	929	1,084
Deduction of deferred tax assets	11,172	11,172
Deduction regarding prudent valuation of financial instruments	1,768	1,754
<b>CET 1 capital</b>	<b>1,711,230</b>	<b>1,712,027</b>
Additional Tier 1 capital	0	0
<b>Tier 1 capital</b>	<b>1,711,230</b>	<b>1,712,027</b>
<b>Total capital</b>		
Tier 1 capital	1,711,230	1,712,027
Subordinated loan capital	99,825	99,790
<b>Total capital</b>	<b>1,811,055</b>	<b>1,811,817</b>
MREL capital	803,231	791,227
<b>Total capital, incl. MREL capital</b>	<b>2,614,287</b>	<b>2,603,044</b>

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, hybrid core 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 2025	Group Full year 2024
<b>Cash flow from operations</b>		
Profit before tax	75,640	382,475
Amortisation and impairment charges for intangible assets	154	618
Depreciation and impairment charges of tangible assets	2,294	9,741
Impairment of loans and advances/guarantees	5,257	1,077
Paid tax	0	-78,956
Other non-cash operating items	-8,514	-62,528
<b>Total</b>	<b>74,831</b>	<b>252,427</b>
<b>Changes in operating capital</b>		
Change in loans at fair value	0	36,665
Change in loans at amortised cost	-193,474	-233,816
Change in holding of bonds	29,095	-320,115
Change in holding of shares	-21,037	7,076
Change in deposits	297,540	1,301,156
Due to credit institutions and central banks	-7,814	-138,507
Change in other assets / liabilities	441,839	41,599
Assets/liabilities under insurance contracts	17,577	15,678
Prepayments	26,965	-18,178
<b>Cash flow from operations</b>	<b>665,521</b>	<b>943,985</b>
<b>Cash flow from investing activities</b>		
Dividends received	148	11,997
Acquisition of intangible assets	0	-5,000
Acquisition of tangible assets	-375	-7,211
Sale of tangible assets	11	6,654
<b>Cash flow from investing activities</b>	<b>-216</b>	<b>6,439</b>
<b>Cash flow from financing activities</b>		
Change in loans from central banks and credit institutions	-14,286	242,857
Redemption of issued bonds at amortised cost	-190,000	-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	-1,368	-5,417
<b>Cash flow from financing activities</b>	<b>-554,696</b>	<b>909</b>
<b>Cash flow</b>	<b>110,609</b>	<b>951,333</b>
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	110,609	951,333
<b>Cash and due etc.</b>	<b>3,117,711</b>	<b>3,007,102</b>
<b>Cash and due etc.</b>		
Cash in hand and demand deposits with central banks	2,789,285	2,696,305
Due from credit institutions, etc.	328,426	310,797
<b>Total</b>	<b>3,117,711</b>	<b>3,007,102</b>

## Notes to the financial statements

### Note 1 Significant accounting policies

The consolidated financial statements for the first three 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 2025	Banking			Non-life Insurance		Elimination	Group
		Personal	Corporate	Other	Total	Faroe Islands		
2	<b>DKK 1,000</b>							
	External interest income, Net	40,770	51,155	6,284	98,209	0		98,209
	<i>Internal interest</i>	7,518	-7,518	0	0			0
	<b>Net interest income</b>	<b>48,288</b>	<b>43,638</b>	<b>6,284</b>	<b>98,209</b>	<b>0</b>		<b>98,209</b>
	<b>Net dividends and fee income</b>	<b>17,880</b>	<b>6,010</b>	<b>263</b>	<b>24,154</b>	<b>0</b>	<b>-2,843</b>	<b>21,311</b>
	Premium income, net of reinsurance	0	0	5,418	5,418	44,529	-931	49,017
	Premium income, net of reinsurance and claims	0	0	754	754	8,001	3,602	12,357
	<b>Net insurance result</b>	<b>0</b>	<b>0</b>	<b>529</b>	<b>529</b>	<b>6,589</b>	<b>3,602</b>	<b>10,720</b>
	Other income	1,139	2,486	19,159	22,784	0	-6,815	15,969
	<b>Total income</b>	<b>67,308</b>	<b>52,134</b>	<b>26,235</b>	<b>145,676</b>	<b>6,589</b>	<b>-6,056</b>	<b>146,209</b>
	<b>Total operating expenses</b>	<b>19,216</b>	<b>5,417</b>	<b>40,320</b>	<b>64,954</b>	<b>0</b>	<b>506</b>	<b>65,459</b>
	<i>of which depreciation and amortisation</i>	210	0	1,929	2,139	0		2,139
	<b>Profit before impairment charges on loans</b>	<b>48,091</b>	<b>46,717</b>	<b>-14,085</b>	<b>80,723</b>	<b>6,589</b>	<b>-6,562</b>	<b>80,750</b>
	Impairment charges	2,828	2,385	-103	5,110	0		5,110
	<b>Profit before tax</b>	<b>45,263</b>	<b>44,332</b>	<b>-13,982</b>	<b>75,613</b>	<b>6,589</b>	<b>-6,562</b>	<b>75,640</b>
	<b>Total assets</b>	<b>4,854,822</b>	<b>4,417,548</b>	<b>5,227,772</b>	<b>14,500,141</b>	<b>300,318</b>		<b>14,800,460</b>
	<i>of which Loans and advances</i>	4,417,548	4,854,822		9,272,369			9,272,369
	<b>Total liabilities</b>	<b>6,504,337</b>	<b>3,801,606</b>	<b>2,496,765</b>	<b>12,802,708</b>	<b>196,556</b>		<b>12,999,264</b>
	<i>of which Deposits</i>	6,504,337	3,801,606		10,305,944		-7,185	10,298,759
	<i>of which Insurance liabilities</i>			3,015		179,264		182,278

Operating segments Q1 2024	Banking			Non-life Insurance		Elimination	Group
	Personal	Corporate	Other	Total	Faroe Islands		
<b>DKK 1,000</b>							
External interest income, Net	37,623	53,660	22,236	113,519	0		113,519
<i>Internal interest</i>	15,731	-18,017	2,285	0			0
<b>Net interest income</b>	<b>53,354</b>	<b>35,643</b>	<b>24,523</b>	<b>113,520</b>	<b>0</b>		<b>113,520</b>
<b>Net dividends and fee income</b>	<b>17,581</b>	<b>5,379</b>	<b>348</b>	<b>23,308</b>	<b>0</b>	<b>-1,812</b>	<b>21,496</b>
<b>Net insurance result</b>	<b>0</b>	<b>0</b>	<b>3,887</b>	<b>3,887</b>	<b>3,207</b>	<b>2,324</b>	<b>9,418</b>
Other income	6,006	2,887	657	9,549	0	-189	9,361
<b>Total income</b>	<b>76,941</b>	<b>43,909</b>	<b>29,414</b>	<b>150,264</b>	<b>3,207</b>	<b>323</b>	<b>153,794</b>
<b>Total operating expenses</b>	<b>18,968</b>	<b>5,484</b>	<b>36,022</b>	<b>60,473</b>	<b>0</b>	<b>511</b>	<b>60,984</b>
<i>of which depreciation and amortisation</i>	1,922	295	-111	2,106	0		2,106
<b>Profit before impairment charges on loans</b>	<b>57,973</b>	<b>38,425</b>	<b>-6,607</b>	<b>89,791</b>	<b>3,207</b>	<b>-188</b>	<b>92,810</b>
Impairment charges	-4,241	28,566	-1,595	22,730	0		22,730
<b>Profit before tax</b>	<b>62,215</b>	<b>9,859</b>	<b>-5,012</b>	<b>67,061</b>	<b>3,207</b>	<b>-188</b>	<b>70,080</b>
<b>Total assets</b>	<b>4,038,748</b>	<b>4,999,619</b>	<b>4,048,281</b>	<b>13,086,648</b>	<b>285,616</b>		<b>13,372,263</b>
<i>of which Loans and advances</i>	4,124,280	4,791,083		8,915,364			8,915,364
<b>Total liabilities</b>	<b>5,826,399</b>	<b>3,181,487</b>	<b>2,193,175</b>	<b>11,201,061</b>	<b>193,804</b>		<b>11,394,865</b>
<i>of which Deposits</i>	5,826,399	3,181,487		9,007,886		-8,783	8,999,102
<i>of which Insurance liabilities</i>			3,119		163,997		167,116

## Føroya Banki Group - Geographical revenue information

Note 2 DKK 1,000

(cont'd) Geographical segments	Total income		Non current assets		Additions to tangible assets		Additions to intangible assets	
	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024
Faroe Islands	131,125	127,059	113,718	120,094	387	2,994	3,596	-154
Greenland	15,084	26,735	34,661	37,231	0	0	0	0
<b>Total</b>	<b>146,209</b>	<b>153,794</b>	<b>148,380</b>	<b>157,325</b>	<b>387</b>	<b>2,994</b>	<b>3,596</b>	<b>-154</b>

Geographical segments	Impairments		Investment portfolio earnings	
	Q1 2025	Q1 2024	Q1 2025	Q1 2024
Faroe Islands	-8,420	15,471	13,064	6,972
Greenland	3,310	-38,200	0	0
<b>Total</b>	<b>-5,110</b>	<b>-22,730</b>	<b>13,064</b>	<b>6,972</b>

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.

Operational segments	Total income		Profit before tax		Tax		FTE	
	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024
Faroe Islands, Banking, Other	120,405	117,641	52,030	80,141	10,109	14,464	163	167
Faroe Islands, Insurance	10,720	9,418	10,720	9,418	1,186	577	23	23
Greenland, Banking	15,084	26,735	12,890	-19,478	3,416	0	18	19
<b>Total</b>	<b>146,209</b>	<b>153,794</b>	<b>75,640</b>	<b>70,080</b>	<b>14,711</b>	<b>15,041</b>	<b>204</b>	<b>209</b>

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	Q1	Q1	Q1
		2025	2024	2025	2024
3	<b>Interest income</b>				
	Credit institutions and central banks	17,593	17,178	17,593	17,178
	Loans and advances (incl. other interest income)	118,191	130,352	118,191	130,352
	Bonds	4,052	2,695	4,052	2,695
	Total derivatives of which:	2,544	3,583	2,544	3,583
	<i>Currency contracts</i>	-10	9	-10	9
	<i>Interest rate contracts</i>	2,554	3,573	2,554	3,573
	Other interest income	462	2,393	462	2,393
	<b>Total interest income</b>	<b>142,841</b>	<b>156,201</b>	<b>142,841</b>	<b>156,201</b>
4	<b>Interest expenses</b>				
	Credit institutions and central banks	6,890	7,335	6,890	7,335
	Deposits	25,469	20,894	25,469	20,894
	Issued bonds	10,699	13,924	10,699	13,924
	Subordinated debt	1,224	1,236	1,224	1,236
	Lease liabilities	493	516	493	516
	Other interest expenses	-143	-1,224	-143	-1,224
	<b>Total interest expenses</b>	<b>44,632</b>	<b>42,681</b>	<b>44,632</b>	<b>42,681</b>
5	<b>Net fee and commission income</b>				
	Fee and commission income				
	Securities trading and custody accounts	4,367	3,546	4,367	3,546
	Credit transfers	5,137	4,897	5,137	4,897
	Loan commissions	982	1,242	982	1,242
	Guarantee commissions	5,737	5,502	5,737	5,502
	Other fees and commissions	6,319	7,689	9,162	9,501
	<b>Total fee and commission income</b>	<b>22,542</b>	<b>22,876</b>	<b>25,385</b>	<b>24,688</b>
	Fee and commissions paid				
	Securities trading and custody accounts	1,380	1,380	1,380	1,380
	<b>Net fee and commission income</b>	<b>21,162</b>	<b>21,496</b>	<b>24,006</b>	<b>23,308</b>
6	<b>Market value adjustments</b>				
	Loans and advances	-2,240	-1,033	-2,240	-1,033
	Bonds	4,762	-975	4,762	-975
	Shares	6,658	6,271	6,658	6,271
	Foreign exchange	2,239	3,439	2,239	3,439
	Total derivatives of which:	1,645	-730	1,645	-730
	<i>Currency Swaps</i>	840	-10	840	-10
	<i>Interest Swaps</i>	529	-281	529	-281
	<i>Other contracts</i>	276	-438	276	-438
	Assets under pooled schemes	-2,703	2,639	-2,703	2,639
	Deposits in pooled schemes	2,703	-2,639	2,703	-2,639
	<b>Total market value adjustments</b>	<b>13,064</b>	<b>6,972</b>	<b>13,064</b>	<b>6,972</b>

Note	DKK 1,000	Group		Føroya Banki	
		Q1	Q1	Q1	Q1
		2025	2024	2025	2024
7	<b>Other operating income</b>				
	Profit on sale of properties	0	67	0	67
	Other income	2,905	2,321	494	491
	<b>Total other operating income</b>	<b>2,905</b>	<b>2,388</b>	<b>494</b>	<b>558</b>
8	<b>Staff costs and administrative expenses</b>				
	Staff costs:				
	Salaries	29,463	29,546	26,654	25,356
	Pensions	4,530	4,549	3,953	3,988
	Social security expenses	4,692	4,723	4,169	4,261
	<b>Total staff costs</b>	<b>38,684</b>	<b>38,818</b>	<b>34,776</b>	<b>33,605</b>
	Administrative expenses:				
	IT	16,818	13,762	15,680	12,156
	Marketing etc	2,298	3,423	2,073	3,065
	Education etc	1,016	792	800	617
	Other expenses	8,736	9,594	7,338	6,958
	<b>Total administrative expenses</b>	<b>28,869</b>	<b>27,570</b>	<b>25,891</b>	<b>22,796</b>
	Total staff costs	38,684	38,818	34,776	33,605
	Total administrative expenses	28,869	27,570	25,891	22,796
	Staff and administrative costs incl. under the item "Insurance service expenses"	-4,673	-8,006	0	0
	<b>Total staff costs and administrative expenses</b>	<b>62,880</b>	<b>58,382</b>	<b>60,667</b>	<b>56,401</b>
	<b>Number of employees</b>				
	Average number of full-time employees in the period	206	208	176	176
	<b>Executive remuneration:</b>				
	Board of Directors	585	540	585	540
	Executive Board:				
	Salaries	752	673	752	673
	- less fees received from directorships	90	59	90	59
	The Bank's expense, salaries	662	613	662	613
	Pension	113	101	113	101
	<b>Total executive board</b>	<b>774</b>	<b>714</b>	<b>774</b>	<b>714</b>
	<b>Total executive remuneration</b>	<b>1,359</b>	<b>1,254</b>	<b>1,359</b>	<b>1,254</b>

Note	DKK 1,000	Group		Føroya Banki	
		Q1	Q1	Q1	Q1
		2025	2024	2025	2024
9	<b>Impairment charges on loans and advances and provisions for guarantees etc.</b>				
	Impairment charges and provisions at 31 December 2024	179,881	182,347	179,881	182,347
	New and increased impairment charges and provisions	75,771	84,996	75,771	84,996
	Reversals of impairment charges and provisions	69,469	59,887	69,469	59,887
	Written-off, previously impaired	147	669	147	669
	<i>Interest income on impaired loans</i>	909	790	909	790
	<b>Total impairment charges and provisions at 31 March 2025</b>	<b>186,037</b>	<b>206,787</b>	<b>186,037</b>	<b>206,787</b>
	<b>Impairment charges and provisions recognised in the income statement</b>				
	Loans and advances at amortised cost	7,273	14,395	7,273	14,395
	Loans and advances at fair value	-2,900	4,487	-2,900	4,487
	Guarantees and loan commitments	737	3,847	737	3,847
	<b>Total individual impairment charges and provisions</b>	<b>5,110</b>	<b>22,730</b>	<b>5,110</b>	<b>22,730</b>
	<b>Stage 1 impairment charges</b>				
	Stage 1 impairment charges etc. at 31 December 2024	78,972	76,219	78,972	76,219
	New and increased Stage 1 impairment charges	34,284	41,835	34,284	41,835
	Reversals, net of Stage 1 impairment charges	45,160	40,060	45,160	40,060
	<b>Stage 1 impairment charges at 31 March 2025</b>	<b>68,096</b>	<b>77,994</b>	<b>68,096</b>	<b>77,994</b>
	<i>Total net impact recognised in the income statement</i>	<i>-10,877</i>	<i>1,775</i>	<i>-10,877</i>	<i>1,775</i>
	<b>Stage 2 impairment charges</b>				
	Stage 2 impairment charges etc. at 31 December 2024	32,571	38,196	32,571	38,196
	New and increased impairment charges	27,995	13,055	27,995	13,055
	Reversals, net of impairment charges	16,530	15,051	16,530	15,051
	<b>Stage 2 impairment charges at 31 March 2025</b>	<b>44,035</b>	<b>36,200</b>	<b>44,035</b>	<b>36,200</b>
	<i>Total net impact recognised in the income statement</i>	<i>11,465</i>	<i>-1,996</i>	<i>11,465</i>	<i>-1,996</i>
	<b>Weak Stage 2</b>				
	Weak Stage 2 impairment charges etc. at 31 December 2024	6,331	7,278	6,331	7,278
	New and increased impairment charges	4,252	1,047	4,252	1,047
	Reversals, net of impairment charges	3,659	2,606	3,659	2,606
	<b>Weak Stage 2 impairment charges at 31 March 2025</b>	<b>6,923</b>	<b>5,719</b>	<b>6,923</b>	<b>5,719</b>
	<i>Total net impact recognised in the income statement</i>	<i>592</i>	<i>-1,558</i>	<i>592</i>	<i>-1,558</i>



## 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 three months to 31 March 2025.

The consolidated financial statements for the first three months to 31 March 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 31 March 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 three months ended 31 March 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, 30 April 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. Samuelson

Alexandur Johansen

## Contact details

### Head Office

P/F Føroya Banki  
Oknarvegur 5  
P.O. Box 3048  
FO-110 Tórshavn  
Faroe Islands  
Phone: +298 330 330  
E-mail: [kundi@bankin.fo](mailto:kundi@bankin.fo)  
[www.foroyabanki.fo](http://www.foroyabanki.fo)

P/F skr. nr. 10, Tórshavn  
SWIFT: FIFB FOTX

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

The company is listed on  
Nasdaq Copenhagen.

### IR contact

**Rúna Niclasardóttir Rasmussen**  
E-mail: [rr@bankin.fo](mailto:rr@bankin.fo)  
Tel. +298 330 330

### Branches

#### Faroe Islands

**Tórshavn**  
Oknarvegur 5  
100 Tórshavn  
Phone: +298 330 330

**Miðvágur**  
Jatnavegur 26  
370 Miðvágur  
Phone: +298 330 330

**Klaksvík**  
Við Sandin 12  
700 Klaksvík  
Phone: +298 330 330

**Saltangará**  
Heiðavegur 13  
600 Saltangará  
Phone: +298 330 330

**Tvøroyri**  
Sjógøta 2  
800 Tvøroyri  
Phone: +298 330 330

**Customer Service**  
Oknarvegur 5  
100 Tórshavn  
Phone: +298 330 330

**Corporate Banking**  
Oknarvegur 5  
100 Tórshavn  
Phone: +298 330 330

**Markets**  
Oknarvegur 5  
100 Tórshavn  
Phone: +298 330 330

**Ungdómsbankin**  
Oknarvegur 5  
100 Tórshavn  
Phone: +298 330 330

#### Greenland

**Personal Banking**  
Qullilerfik 2  
3900 Nuuk  
Phone: +299 34 79 00

**Corporate Banking**  
Qullilerfik 2  
3900 Nuuk  
Phone: +299 34 79 00