

Føroya Banki

**Interim
Report**
Q1 2024

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Financial Review

“We delivered a generally positive performance for the first three months of 2024. Our profit before tax of DKK 70m was largely in line with the figure for the first quarter of last year. In addition to the favourable interest rate environment and the return on our own portfolio, the satisfactory performance was based on a sound balance between income and costs. Our income improved slightly, driven by an increase in business activity (both deposits and lending improving), while costs were in line with the previous quarterly periods.

Despite the positive trends, the first quarter was also marked by an increase in impairment charges compared to recent years. As previously announced, impairment charges are expected to return to a more normalised level in 2024 than what we have witnessed in recent years. However, the impairment charges taken previously do not imply that our customers generally are facing challenges, and they continue to display credit robustness. Nor have the impairment charges affected our previous full-year guidance for net profit of DKK 225-255m,” says CEO Turið F. Arge.

Q1 2024 Highlights

Adjusted Income statement, Group

DKKm	Q1 2024	Q4 2023	Index	Q3 2023	Q2 2023	Q1 2023	Q1 2024	Q1 2023	Index
Net interest income	92	100	93	96	86	78	92	78	119
Net fee and commission income	19	17	111	19	19	21	19	21	91
Net insurance income	12	12	98	24	19	5	12	5	246
Other operating income (less reclassification)	11	4	289	9	11	8	11	8	133
Operating income	135	133	101	148	135	112	135	112	120
Operating costs ¹	-64	-65	99	-65	-64	-63	-64	-63	101
Sector costs	0	0	100	0	0	0	0	0	158
Profit before impairment charges	70	68	104	83	71	49	70	49	144
Impairment charges, net	-23	-5	447	0	7	8	-23	8	271
Operating profit	47	62	76	82	78	57	47	57	83
Non-recurring items ²	0	0		0	-6	-3	0	-3	
Profit before investment portfolio earnings and tax	47	62	76	82	72	54	47	54	88
Investment portfolio earnings ³	23	46	49	26	15	22	23	22	104
Profit before tax	70	109	64	108	87	75	70	75	93
Operating cost/income, %	48	49		44	47	56	48	56	
Number of FTE, end of period	209	207	101	207	203	203	209	203	103

1 Comprises staff costs, administrative expenses and amortisation, depreciation and impairment charges (less reclassification to non-recurring items).

2 Reclassified from Staff costs and administrative expenses.

3 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 2023. Due to seasonal variations, comments provided on the insurance segment relate to Q1 2023.

Operating income

The Føroya Banki Group generated operating income of DKK 135m in Q1 2024, an increase of DKK 2m compared to Q4 2023, driven by quarter-on-quarter increases in net fee and commission income and other operating income that outweighed the slight decrease seen in net interest income.

Net interest income

Net interest income was DKK 92m in Q1 2024, a decrease of DKK 7m compared to Q4 2023 that was mainly due to higher funding costs.

Net fee and commission income

Net fee and commission income amounted to DKK 19m in Q1 2024, DKK 2m higher than in Q4 2023. The income in Q1 2024 is higher due to fees that are charged in the beginning of the year.

Net insurance income

Net insurance income was DKK 12m in Q1 2024, DKK 7m more than in Q1 2023. Both in Q1 2023 and in Q1 2024, there have been severe storms in the Faroe Islands, but despite this storm in Q1, the result is positive.

Operating and sector costs

Operating costs amounted to DKK 64m in Q1 2024, DKK 1m less than in Q4 2023. The costs are under pressure due to price and salary growth, but the Bank has a continuous focus on maintaining the costs on a stable level.

Profit before impairment charges

Profit before impairment charges was DKK 70m in Q1 2024, an increase of DKK 3m compared to Q4 2023.

Impairment charges

Net impairments were DKK 23m in Q1 2024 compared to DKK 5m in Q4 2023. The increase in net impairments can be attributed to a few corporate clients in Greenland. In the Faroese part of the operations the impairments are reversed. The total increase is not a sign of general challenges with the client base that continues to show solid creditworthiness. The management provision of DKK 100m taken in relation to the ongoing economic uncertainty as well as uncertainty in relation to the Bank's impairment calculation and modelling did not change during the quarter. Management believes that the overall economic uncertainty remains a risk to the Bank's customers.

Operating profit

The resulting operating profit was DKK 47m in Q1 2024 compared to DKK 62m in Q4 2023.

Non-recurring items

Non-recurring items amounted to DKK 0m in Q1 2024, the same as in Q4 2023.

Investment portfolio earnings

Investment portfolio earnings amounted to DKK 23m in Q1 2024 compared to DKK 46m in Q4 2023.

Profit before tax

Profit before tax in Q1 2024 was DKK 70m, DKK 39m less than the pre-tax profit of DKK 109m reported for Q4 2023.

Balance sheet

Føroya Banki's total assets at 31 March 2024 amounted to DKK 13.4bn, up by DKK 0.4bn compared to 31 December 2023. Loans and advances were DKK 8.9bn, DKK 33m more than at 31 December 2023. Deposits were DKK 9.0bn, up by DKK 297m compared to 31 December 2023. Liquidity invested in Danish mortgage bonds and Danish government bonds amounted to DKK 1.4bn, an increase of DKK 13m compared to 31 December 2023. Liquidity invested in equities amounted to DKK 276m, a decrease of DKK 4m relative to 31

December 2023. Shareholders' equity at 31 March 2024 amounted to DKK 1,824m, down by DKK 26m compared to 31 December 2023 due to the payment of dividend in the amount of DKK 80m.

Capital and Liquidity

At 31 March 2024, the Group's CET1 capital ratio was 25.0%, the Tier 1 capital ratio was 27.0% and the Own funds capital ratio was 28.6%. The Own funds capital ratio, incl. MREL capital, was 39.9%. The net profit for the Q1 2024 period, amounting to DKK 55.0m, is not included in the calculation of the capital ratios. The Group's liquidity indicator was 278.3% at 31 March 2024, well above the requirement of 100%. The Group's LCR at 31 March 2024 was 283.6%, also well above the requirement of 100%. The Group's Net Stable Funding Ratio (NSFR) was 156.3% at 31 March 2024, well above the requirement of 100%.

The preliminary assessment by the Financial Supervisory Authority still lacks clarity regarding the existence of a well-developed and established market for residential and commercial properties in both the Faroe Islands and Greenland. The case is expected to be resolved in the first half of 2024. Despite the ongoing proceedings resulting in a deviation from the dividend policy in 2023, the bank remains committed to its goals for 2024.

Compliance with the Danish FSA Supervisory Diamond

The Supervisory Diamond			
	Q1 2024	Q1 2023	FSA limit
Sum of large exposures	133,9%	150,1%	< 175%
Liquidity indicator	278,3%	222,4%	>100 %
Loan growth	6,7%	8,6%	< 20 %
Property exposure	13,4%	13,8%	< 25 %

At 31 March 2024, the Group was in compliance with all Supervisory Diamond requirements set by the FSA.

Events after the balance sheet date

No events have occurred since 31 March 2024 that are deemed to have a significant impact on the Group's financial position.

Guidance for 2024

Management reconfirms the guidance for 2024 communicated in the Group's annual report for 2023. The guidance was for a net profit in the range of DKK 225-255m.

The guidance is subject to uncertainty, including impairments 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 2024, Group, DKK 1,000	Income statement	Restatement	Restated income statement
1, 5	Net interest income	113,520	-21,083	92,436
2, 6	Net fee and commission income	21,496	-2,141	19,356
5, 7, 8	Net insurance income	9,418	2,450	11,868
2, 4	Other operating income	2,388	8,695	11,083
	Operating income	146,822	-12,079	134,743
3, 6, 7	Operating costs	60,488	3,681	64,169
	Sector costs	497	0	497
	Profit before impairment charges	85,837	-15,760	70,077
	Impairment charges	22,730	0	22,730
	Operating profit	63,108	-15,760	47,347
3	Non-recurring items	0	0	0
	Profit before investment portfolio earnings and tax	63,108	-15,760	47,347
1, 4, 8	Investment portfolio earnings	6,972	15,760	22,732
	Profit before tax	70,080	0	70,080
	Note Adjusted Income statement Q1 2023, Group, DKK 1,000			
1, 5	Net interest income	91,784	-14,068	77,716
2, 6	Net fee and commission income	28,383	-7,091	21,292
5, 7, 8	Net insurance income	929	3,893	4,822
2, 4	Other operating income	1,350	6,992	8,342
	Operating income	122,445	-10,274	112,171
3, 6, 7	Operating costs	61,748	1,597	63,345
	Sector costs	315	0	315
	Profit before impairment charges	60,382	-11,871	48,511
	Impairment charges	-8,400	0	-8,400
	Operating profit	68,782	-11,871	56,911
3	Non-recurring items	0	-3,286	-3,286
	Profit before investment portfolio earnings and tax	68,782	-15,157	53,625
1, 4, 8	Investment portfolio earnings	6,684	15,156	21,840
	Profit before tax	75,465	0	75,465
	Note Restatements made to the income statement, DKK 1,000	Q1 2024	Q1 2023	
1	Reclassification of interest income related to bonds from the item Interest income to Investment portfolio earnings.	22,945	14,720	
2	Dividends and fees reclassified from Net fee and commission income to Other operating income.	1	7,091	
3	Reclassification of severance costs to Non-recurring items.		3,286	
4	Reclassification of value adjustments related to sector shares and of profit or loss from currency transactions to Other operating income.	8,694	99	
5	Reclassification of interest income from Net insurance income to Net interest income due to implementation of IFRS 17	1,862	652	
6	Reclassification from Net fee and commission income to Operation costs due to implementation of IFRS 17	2,140	1,575	
7	Reclassification of operating costs from Net insurance income to Operating costs due to implementation of IFRS 17	6,168	4,883	
8	Reclassification of market value adjustments from net insurance income to Investment portfolio earnings due to implementation of IFRS 17	1,856	1,237	

Segments

Adjusted Income statement, Banking

DKK ^m	Q1 2024	Q4 2023	Index	Q3 2023	Q2 2023	Q1 2023	Q1 2024	Q1 2023	Index
Net interest income	92	100	93	96	86	78	92	78	119
Net fee and commission income	23	21	109	23	23	25	23	25	94
Other operating income	10	3	378	8	9	8	10	8	128
Operating income	125	124	101	127	118	110	125	110	114
Operating cost	-58	-59	100	-59	-58	-58	-58	-58	100
Sector costs	0	0	100	0	0	0	0	0	158
Profit before impairment charges	66	65	103	68	60	51	66	51	130
Impairment charges, net	-23	-5	447	0	7	8	-23	8	271
Operating profit	44	59	74	68	67	60	44	60	73
Non-recurring items	0	0		0	-6	-3	0	-3	
Profit before investment portfolio earnings and tax	44	59	74	68	62	56	44	56	78
Investment portfolio earnings	19	42	45	24	14	20	19	20	95
Profit before tax	63	102	62	92	76	76	63	76	82
Loans and advances	8,915	8,883	100	8,790	8,655	8,354	8,915	8,354	107
Deposits and other debt	8,930	8,710	103	8,602	8,426	8,524	8,930	8,524	105
Mortgage credit	2,621	2,599	101	2,615	2,567	2,634	2,621	2,634	100
Operating cost/income, %	47	47		46	49	53	47	53	
Number of FTE, end of period	178	176	101	176	173	172	178	172	103

Personal Banking

The Personal Banking segment reported operating income of DKK 84m in Q1 2024, DKK 6m less than in Q4 2023. Net interest income was DKK 60m in Q1 2024, down DKK 12m compared to Q4 2023. The decrease in net interest income is mainly due to higher costs in external funding.

Net fee and commission income was DKK 18m in Q1 2024, DKK 1m more than in the preceding quarter. Other operating income amounted to DKK 6m in Q1 2024, up from DKK 2m in Q4 2023. The growth in Other operating income is mainly due to higher return from the Bank's sector shares.

Operating costs were DKK 49m in Q1 2024, flat relative to Q4 2023. Impairment charges amounted to a reversal of DKK 5m in Q1 2024 compared to a net impairment charge of DKK 5m in Q4 2023. The reason for the low impairment level is that the personal banking segment still seems to be robust. As a result, operating profit for Q1 2024 was DKK 39m, DKK 4m more than in the prior quarter.

Investment portfolio earnings posted to the personal banking segment amounted to DKK 14m in Q1 2024 compared to DKK 30m in Q4 2023. No non-recurring items were seen in the Personal Banking segment in Q1 2024 nor in Q4 2023.

Profit before tax thus amounted to DKK 53m in Q1 2024, DKK 12m less than the DKK 65m posted in Q4 2023.

Loans and advances to personal customers in Q1 2024 rose by DKK 58m to DKK 4,124m, and brokered mortgage credit rose by DKK 12m to DKK 2,191m, both compared to 31 December 2023. The growth is a return to the trend seen in recent years, where Faroese households increasingly embracing the traditional Danish financing model of 80% LTV mortgage funding with the residual in 2nd lien bank lending. Deposits held by personal customers rose by DKK 26m in Q1 2024 to DKK 5,788m at 31 March 2024.

Adjusted Income statement, Personal banking

DKKm	Q1 2024	Q4 2023	Index	Q3 2023	Q2 2023	Q1 2023	Q1 2024	Q1 2023	Index
Net interest income	60	72	83	60	48	43	60	43	138
Net fee and commission income	18	16	109	18	16	18	18	18	101
Other operating income	6	2	393	5	7	6	6	6	97
Operating income	84	90	93	84	71	67	84	67	124
Operating costs	-49	-49	100	-51	-49	-47	-49	-47	104
Sector costs	0	0	100	0	0	0	0	0	158
Profit before impairment charges	34	40	85	32	22	20	34	20	174
Impairment charges, net	5	-5	-89	1	1	5	5	5	95
Operating profit	39	35	113	33	23	25	39	25	158
Non-recurring items	0	0		0	-5	-3	0	-3	
Profit before investment portfolio earnings and tax	39	35	113	33	18	22	39	22	179
Investment portfolio earnings	14	30	45	17	10	11	14	11	128
Profit before tax	53	65	81	51	28	33	53	33	162
Loans and advances	4,124	4,066	101	3,859	3,771	3,673	4,124	3,673	112
Deposits and other debt	5,788	5,761	100	5,678	5,584	5,392	5,788	5,392	107
Mortgage credit	2,191	2,179	101	2,203	2,285	2,331	2,191	2,331	94
Number of FTE, end of period	79	81	98	82	74	74	79	74	106

Corporate Banking

Corporate Banking activities generated operating income of DKK 42m in Q1 2024, an increase of 23% or DKK 8m compared to Q4 2023. Net interest income rose by DKK 5m to DKK 33m due to full implementation of interest rate increases for the corporate clients. Net fee and commission income was flat at DKK 5m, and other operating income rose by DKK 2m to DKK 3m in Q1 2024 compared to Q4 2023.

Operating costs were DKK 9m in Q1 2024, flat compared to Q4 2023. Net impairment charges during Q1 2023 amounted to DKK 28m compared to a net charge of DKK 0m in Q4 2023.

Operating profit for Q1 2024 amounted to DKK 5m, a decrease of DKK 20m relative to Q4 2023.

Investment portfolio earnings posted to the corporate banking segment in Q1 2024 amounted to DKK 5m, DKK 6m less than in the preceding quarter. The increase in net impairments can be attributed to a few corporate clients in Greenland. In the Faroese part of the operations the impairments are reversed. The total increase is not a sign of general challenges with the client base that continues to show solid creditworthiness.

The resulting profit before tax for the quarter was DKK 10m, compared to DKK 36m in the final quarter of 2023.

Corporate loans and advances fell by DKK 25m in Q1 2024 to DKK 4,791m on 31 March 2024. Customer deposits rose by DKK 194m during the period to DKK 3,143m. Brokered mortgage credit rose by DKK 10m to DKK 430m at 31 March 2024 compared to 31 December 2023.

Adjusted Income statement, Corporate Banking

DKKm	Q1 2024	Q4 2023	Index	Q3 2023	Q2 2023	Q1 2023	Q1 2024	Q1 2023	Index
Net interest income	33	28	117	36	38	35	33	35	95
Net fee and commission income	5	5	109	5	7	7	5	7	77
Other operating income	3	1	354	3	2	1	3	1	298
Operating income	42	34	123	44	47	43	42	43	98
Operating costs	-9	-9	100	-8	-8	-6	-9	-6	153
Sector costs	0	0	100	0	0	0	0	0	158
Profit before impairment charges	32	24	132	36	39	36	32	36	88
Impairment charges, net	-28	0	-8287	-2	6	3	-28	3	827
Operating profit	5	25	18	34	45	40	5	40	11
Non-recurring items	0	0		0	-1	0	0	0	
Profit before investment portfolio earnings and tax	5	25	18	34	44	39	5	39	12
Investment portfolio earnings	5	12	45	7	4	4	5	4	128
Profit before tax	10	36	27	41	48	44	10	44	23
Loans and advances	4,791	4,816	99	4,932	4,884	4,681	4,791	4,681	102
Deposits and other debt	3,143	2,948	107	2,924	2,824	3,132	3,143	3,132	100
Mortgage credit	430	420	102	412	282	302	430	302	142
Number of FTE, end of period	15	14	105	15	15	15	15	15	100

Insurance: Trygd

Trygd reported premium income of DKK 39m in Q1 2024, DKK 5m more than in Q1 2023. In Q1 2024, claims were DKK 31m, DKK 1m less than in Q1 2023. Net income from investment activities amounted to DKK 3m in Q1 2024, DKK 2m more than in Q1 2023. As a result, operating income was DKK 11 m in Q1 2024, DKK 7m more than in Q1 2023. Both in Q1 2023 and in Q1 2024, there have been severe storms in the Faroe Islands, but despite this storm in Q1, the result is positive.

Operating costs were DKK 8m in Q1 2024, DKK 1m more than in the first quarter of 2023. As a result, Trygd reported a profit before tax for the quarter of DKK 3m, compared to a loss before tax of DKK 3m in Q1 2023.

Trygd continues to consolidate its market position as a provider of non-life insurance in the Faroe Islands. An increase in 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. 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 2024	Q4 2023	Index	Q3 2023	Q2 2023	Q1 2023	Q1 2024	Q1 2023	Index
Premium income, net of reinsurance	39	42	93	37	35	34	39	34	114
Claims, net of reinsurance	-31	-30	105	-17	-19	-32	-31	-32	98
Net insurance income	8	12	65	20	16	2	8	2	358
Net income from investment activities	3	3	113	2	0	2	3	2	190
Operating income	11	15	74	22	16	4	11	4	283
Operating cost	-8	-8	100	-7	-8	-7	-8	-7	115
Profit before tax	3	7	46	14	8	-3	3	-3	114
Combined ratio	100	90		67	76	113	100	113	
Claims ratio	81	72		47	55	94	81	94	
Number of FTE, end of period	23	23	97	23	22	23	23	23	99

Income statement

Note	DKK 1,000	Group		Føroya Banki	
		Q1	Q1	Q1	Q1
		2024	2023	2024	2023
3	Interest income	156,201	109,548	156,201	109,548
	- of which interest income from deposits	83	708	83	708
4	Interest expenses	42,681	17,763	42,681	17,763
	- of which interest expenses from assets	-540	5,951	-540	5,951
	Net interest income	113,520	91,784	113,520	91,784
	Dividends from shares and other investments	1	6,080	1	6,080
5	Fee and commission income	22,876	23,609	24,688	26,001
5	Fee and commissions paid	1,380	1,306	1,380	1,306
	Net dividend, fee and commission income	21,496	28,383	23,309	30,775
	Net interest and fee income	135,016	120,167	136,828	122,559
	Insurance revenue	47,951	42,525		
	Insurance service expenses	40,828	42,184		
	Net return on investments backing insurance liabilities	2,781	2,000		
	Net finance income or expense from insurance	1,101	0		
	Other expenses	1,587	1,412		
	Net insurance result	9,418	929	0	0
	Interest and fee income and income from insurance activities, net	144,434	121,096	136,828	122,559
6	Market value adjustments	6,972	1,576	6,972	1,576
7	Other operating income	2,388	1,350	558	620
8	Staff costs and administrative expenses	58,382	59,935	56,401	59,991
	Amortisation, depreciation and impairment charges	2,106	1,814	2,020	1,783
	Other operating expenses	497	315	497	315
9	Impairment charges on loans and advances etc.	22,730	-8,400	22,730	-8,400
	Income from investments accounted for under the equity method	0	5,108	6,043	4,525
	Income on assets temporarily acquired				
	Profit before tax	70,080	75,465	68,753	75,590
	Tax	15,041	14,114	13,715	14,238
	Net profit	55,038	61,352	55,038	61,352
	Portion attributable to				
	Shareholders of Føroya Banki P/F	53,299	59,612	53,299	59,612
	Owners of additional Tier 1 capital	1,739	1,739	1,739	1,739
	Net profit	55,038	61,352	55,038	61,352
	EPS Basic for the period, DKK*	5.75	6.41	5.75	6.41
	EPS Diluted for the period, DKK*	5.75	6.41	5.75	6.41

*Based on average number of shares outstanding, see the specification of shareholders equity

Statement of comprehensive income - Føroya Banki

	Group		Føroya Banki	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023
DKK 1,000				
Net profit	55,038	61,352	55,038	61,352
Other comprehensive income				
Items which will not subsequently be recycled to the income statement:				
Revaluation of domicile property	0	-1,656	0	-1,656
Tax on other comprehensive income	0	298	0	298
Total other comprehensive income	0	-1,358	0	-1,358
Total comprehensive income	55,038	59,994	55,038	59,994

Balance Sheet

Note	DKK 1,000	Group		Føroya Banki	
		March 31 2024	Dec. 31 2023	March 31 2024	Dec. 31 2023
Assets					
	Cash in hand and demand deposits with central banks	1,786,246	1,795,718	1,762,098	1,793,739
10	Amounts due from credit institutions and central banks	618,457	260,050	618,457	260,050
9	Loans and advances at fair value	343,141	348,500	343,141	348,500
9	Loans and advances at amortised cost	8,572,223	8,534,355	8,572,223	8,534,355
	Bonds at fair value	1,409,035	1,396,516	1,216,647	1,217,642
	Shares, etc.	275,646	279,957	184,272	190,388
	Assets under insurance contracts	13,103	1,658	0	0
	Holdings in associates	14,881	14,881	14,881	14,881
	Holdings in subsidiaries	26	0	138,596	132,553
	Assets under pooled schemes and unit-linked investment contracts	43,548	33,003	40,274	30,006
	Intangible assets	5,347	1,702	1,547	1,702
	Total land and buildings	122,617	123,742	119,316	120,431
	Domicile property	62,041	62,149	58,740	58,838
	Domicile property (lease asset)	60,576	61,593	60,576	61,593
	Other property, plant and equipment	14,480	12,381	12,105	9,862
	Current tax assets	19,735	27,413	19,735	27,413
	Deferred tax assets	9,412	9,412	9,362	9,362
	Assets held for sale	0	0	0	0
	Other assets	122,269	89,044	121,237	90,068
	Prepayments	7,269	16,503	6,077	15,298
	Total assets	13,377,435	12,944,835	13,179,967	12,796,250

Balance Sheet

Note	Group		Føroya Banki	
	March 31 2024	Dec. 31 2023	March 31 2024	Dec. 31 2023
Shareholders' equity and liabilities				
Liabilities other than provisions				
Amounts due to credit institutions and central banks	688,191	719,105	688,191	719,105
Deposits and other debt	8,999,102	8,702,192	9,007,886	8,709,586
Deposits under pooled schemes and unit-linked investments contracts	43,548	33,003	40,274	30,006
Issued bonds at amortised cost	982,496	986,134	982,496	986,134
Liabilities under insurance contracts	172,076	139,679	0	0
Current tax liabilities	78,941	71,836	71,580	65,796
Other liabilities	324,292	180,955	300,904	175,570
Deferred income	2,242	4,047	2,110	2,189
Total liabilities other than provisions	11,290,888	10,836,949	11,093,441	10,688,385
Provisions for liabilities				
Provisions for deferred tax	21	21	0	0
Provisions for losses on guarantees etc	8,051	4,204	8,051	4,204
Provisions for other liabilities	1,391	1,869	1,391	1,869
Total provisions for liabilities	9,463	6,094	9,442	6,073
Subordinated debt				
Subordinated debt	99,685	99,650	99,685	99,650
Total liabilities	11,400,036	10,942,694	11,202,568	10,794,108
Equity				
Share capital	192,000	192,000	192,000	192,000
Revaluation reserve	7,948	7,948	7,948	7,948
Retained earnings	1,624,180	1,570,662	1,624,180	1,570,662
Proposed dividends	0	80,000	0	80,000
Shareholders of the Parent Company	1,824,127	1,850,609	1,824,127	1,850,609
Additional tier 1 capital holders	153,271	151,532	153,271	151,532
Total equity	1,977,399	2,002,141	1,977,399	2,002,141
Total liabilities and equity	13,377,435	12,944,835	13,179,967	12,796,250

Statement of capital - Føroya Banki Group

Changes in equity:

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		0		0	0		0
Tax on entries on income recognised as Other comprehensive income.		0			0		0
Revaluation of assets, subsidiaries		0			0		0
Net profit			0	53,299	53,299	1,739	55,038
Total comprehensive income		0	0	53,299	53,299	1,739	55,038
Paid interest on additional tier 1 capital				0	0	0	0
Dividends paid			-80,000	219	-79,781		-79,781
Shareholders' equity at December 31, 2024	192,000	7,948	0	1,624,180	1,824,127	153,271	1,977,399

DKK 1,000	Shareholders equity					Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total
Shareholders' equity at January 1, 2023	192,000	14,392	250,000	1,342,466	1,798,857	151,324	1,950,181
Revaluation of assets		-7,059		6,901	-158		-158
Revaluation of assets, subsidiaries		615			615		615
Net profit			80,000	220,576	300,576	6,958	307,533
Total comprehensive income		-6,444	80,000	227,477	301,033	6,958	307,991
Paid interest on additional tier 1 capital				0	0	-6,750	-6,750
Dividends paid			-250,000	719	-249,281		-249,281
Shareholders' equity at December 31, 2023	192,000	7,948	80,000	1,570,662	1,850,609	151,532	2,002,141

DKK 1,000	Shareholders equity					Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total
Shareholders' equity at January 1, 2023	192,000	14,392	250,000	1,342,466	1,798,857	151,324	1,950,181
Revaluation of assets		-1,656			-1,656		-1,656
Tax on entries on income recognised as Other comprehensive income		298			298		298
Net profit			0	59,612	59,612	1,739	61,352
Total comprehensive income		-1,358	0	59,612	58,254	1,739	59,994
Dividends paid			-250,000	719	-249,281		-249,281
Shareholders' equity at March 31, 2023	192,000	13,034	0	1,402,797	1,607,831	153,064	1,760,895

Statement of capital - Føroya Banki P/F

Changes in equity:

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					0		0	
Revaluation of assets, subsidiaries					0		0	
Net profit				53,299	53,299	1,739	55,038	
Total comprehensive income		0	0	53,299	53,299	1,739	55,038	
Paid interest on additional tier 1 capital				0	0		0	
Dividends paid			-80,000	219	-79,781		-79,781	
Shareholders' equity at March 31, 2024	192,000	7,948	0	1,624,180	1,824,127	153,271	1,977,399	

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
Shareholders' equity at January 1,	192,000	14,392	250,000	1,342,466	1,798,857	151,324	1,950,181	
Revaluation of assets		-7,059		6,901	-158		-158	
Proposed dividends subsidiaries		615			615		615	
Net profit			80,000	220,576	300,576	6,958	307,533	
Total comprehensive income		-6,444	80,000	227,477	301,033	6,958	307,991	
Paid interest on additional tier 1 capital						-6,750	-6,750	
Dividends paid			-250,000	719	-249,281		-249,281	
Shareholders' equity at December 31, 2023	192,000	7,948	80,000	1,570,662	1,850,609	151,532	2,002,141	

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
Shareholders' equity at January 1, 2023	192,000	14,392	250,000	1,342,466	1,798,857	151,324	1,950,181	
Revaluation of assets		-1,656			-1,656		-1,656	
Tax on entries on income recognised as Other comprehensive income		298			298		298	
Net profit			0	59,612	59,612	1,739	61,352	
Total comprehensive income		-1,358	0	59,612	58,254	1,739	59,994	
Dividends paid			-250,000	719	-249,281		-249,281	
Shareholders' equity at March 31, 2023	192,000	13,034	0	1,402,797	1,607,831	153,064	1,760,895	

Capital and Solvency - Føroya Banki

Solvency DKK 1,000	March 31 2024	Dec. 31 2023
Tier 1 capital	1,893,187	1,907,887
Own funds capital	2,006,253	2,007,537
Risk-weighted items not included in the trading portfolio	5,884,951	5,808,267
Risk-weighted items with market risk etc.	317,007	347,722
Risk-weighted items with operational risk	817,421	662,873
Total risk-weighted items	7,019,379	6,818,861
CET 1 capital ratio	25.0%	25.8%
Tier 1 capital ratio	27.0%	28.0%
Own funds capital ratio	28.6%	29.4%
Own funds incl. MREL capital ratio	39.9%	41.1%
Shareholders' equity		
Share capital	192,000	192,000
Reserves	7,948	7,948
Net profit	55,038	307,533
Retained earnings, previous years	1,573,164	1,347,453
Shareholders' equity, before deduction of holdings of own shares	1,828,150	1,854,934
Deduction of ordinary dividend	0	80,000
Deduction of net profit Q1	55,038	0
Deduction of holdings of own shares	4,022	4,325
Deduction of intangible assets	1,547	1,702
Deduction of deferred tax assets	9,362	9,362
Deduction regarding prudent valuation of financial instruments	1,508	1,503
CET 1 capital	1,756,672	1,758,043
Additional Tier 1 capital	136,516	149,844
Tier 1 capital	1,893,187	1,907,887
Own funds capital		
Tier 1 capital	1,893,187	1,907,887
Subordinated loan capital	113,066	99,650
Own funds capital	2,006,253	2,007,537
MREL capital	792,797	798,224
Own funds incl. MREL capital	2,799,050	2,805,762

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, additional Tier 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

	Group Q1 2024	Group Full year 2023
DKK 1,000		
Cash flow from operations		
Profit before tax	70,080	379,330
Amortisation and impairment charges for intangible assets	154	701
Depreciation and impairment charges of tangible assets	2,220	7,101
Impairment of loans and advances/guarantees	22,910	-4,696
Paid tax	0	-48,015
Other non-cash operating items	-3,183	-54,862
Total	92,697	281,610
Changes in operating capital		
Change in loans at fair value	4,326	25,468
Change in loans at amortised cost	-60,777	-803,957
Change in holding of bonds	-14,941	232,310
Change in holding of shares	10,582	28,313
Change in deposits	296,911	366,530
Due to credit institutions and central banks	-16,628	-124,781
Change in other assets / liabilities	110,705	8,310
Assets/liabilities under insurance contracts	20,953	24,057
Prepayments	7,507	-1,808
Cash flow from operations	451,334	36,051
Cash flow from investing activities		
Dividends received	1	6,115
Acquisition of intangible assets	-4,000	0
Acquisition of tangible assets	-2,979	-7,007
Sale of tangible assets	0	24,869
Cash flow from investing activities	-6,978	23,977
Cash flow from financing activities		
Change in loans from central banks and credit institutions	-14,286	-14,286
Issued bonds at amortised cost	0	638,550
Redemption of issued bonds at amortised cost	0	-200,000
Interest paid on additional tier 1 capital	0	-6,750
Payment of dividends	-80,000	-250,000
Payment of dividends, own shares	219	719
Principal portion of lessee lease payments	-1,354	-5,156
Cash flow from financing activities	-95,421	163,078
Cash flow	348,935	223,106
Cash in hand and demand deposits with central banks, and due from Credit institutions, etc. at the beginning of the year	2,055,769	1,832,663
Cash flow	348,935	223,106
Cash and due etc.	2,404,703	2,055,769
Cash and due etc.		
Cash in hand and demand deposits with central banks	1,786,246	1,795,718
Due from credit institutions, etc.	618,457	260,050
Total	2,404,703	2,055,769

Notes to the financial statements

Note 1 Significant accounting policies

The consolidated financial statements for the first three months of 2024 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 2023. The Annual Report 2022 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 2023 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 2023 and the uncertainties prevailing at that time.

Determination of fair value

The fair value of financial assets is measured on the basis of 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 on the basis of 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.

Notes - Føroya Banki Group

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

Operating segments Q1 2023	Banking			Total	Non-life	Elimination	Group
	Personal	Corporate	Other		Insurance		
DKK 1,000					Faroe Islands		Total
External interest income, Net	33,289	36,959	21,537	91,785	0		91,785
Internal interest	0	0	0	0			0
Net interest income	33,289	36,959	21,537	91,785	0		91,785
Net dividends and fee income	22,725	7,732	317	30,774	0	-2,392	28,382
Net insurance result	0	0	2,133	2,133	-2,824	1,620	929
Other income	1,230	1,003	6,816	9,049	0	-1,015	8,034
Total income	57,245	45,693	30,803	133,741	-2,824	-2,377	128,541
Total operating expenses	19,517	4,198	40,136	63,851	0	-1,788	62,063
<i>of which depreciation and amortisation</i>	1,635	260	-81	1,814	0		1,814
Profit before impairment charges on loans	37,727	41,495	-9,332	69,890	-2,824	-589	66,477
Impairment charges	-4,915	-3,079	-405	-8,399	0		-8,399
Profit before tax	42,642	44,575	-8,928	78,289	-2,824		75,465
Total assets	3,573,825	4,754,122	3,914,684	12,242,630	219,262		12,461,892
<i>of which Loans and advances</i>	3,668,810	4,685,380		8,354,190			8,354,190
Total liabilities	5,324,828	3,199,073	2,023,774	10,547,675	153,322		10,700,997
<i>of which Deposits</i>	5,324,828	3,199,073		8,523,901		-5,462	8,518,439
<i>of which Insurance liabilities</i>			4,043		145,700		149,743

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 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
Faroe Islands	118,189	103,513	120,094	114,907	2,994	1,291	-154	-207
Denmark	0	954	0	0	0	0	0	0
Greenland	35,605	24,073	37,231	37,487	0	-58	0	0
Total	153,794	128,541	157,325	152,394	2,994	1,234	-154	-207

Geographical segments	Impairments		Investment portfolio earnings	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023
Faroe Islands	15,471	14,864	6,972	6,684
Denmark	0	69	0	0
Greenland	-38,200	-6,533	0	0
Total	-22,730	8,400	6,972	6,684

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 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
Faroe Islands, Banking, Other	108,771	106,337	80,141	71,606	14,464	12,892	167	163
Faroe Islands, Insurance	9,418	-2,824	9,418	-2,824	577	-508	23	23
Denmark, Banking	0	954	0	914	0	201	0	0
Greenland, Banking	35,605	24,073	-19,478	5,769	0	1,529	19	17
Total	153,794	128,541	70,080	75,465	15,041	14,114	209	203

Note	DKK 1,000	Group		Føroya Banki	
		Q1	Q1	Q1	Q1
		2024	2023	2024	2023
3	Interest income				
	Credit institutions and central banks	17,178	9,194	17,178	9,194
	Loans and advances	130,352	93,352	130,352	93,352
	Deposits	0	708	0	708
	Bonds	2,695	3,242	2,695	3,242
	Total derivatives of which:	3,583	2,739	3,583	2,739
	<i>Currency contracts</i>	9	312	9	312
	<i>Interest rate contracts</i>	3,573	2,427	3,573	2,427
	Other interest income	2,393	313	2,393	313
	Total interest income	156,201	109,548	156,201	109,548
4	Interest expenses				
	Credit institutions and central banks	7,335	5,951	7,335	5,951
	Deposits	20,894	5,286	20,894	5,286
	Issued bonds	13,924	4,758	13,924	4,758
	Subordinated debt	1,236	1,016	1,236	1,016
	Lease liabilities	516	1,025	516	1,025
	Other interest expenses	-1,224	-273	-1,224	-273
	Total interest expenses	42,681	17,763	42,681	17,763
5	Net fee and commission income				
	Fee and commission income				
	Securities trading and custody accounts	3,546	3,122	3,546	3,122
	Credit transfers	4,897	5,122	4,897	5,122
	Loan commissions	1,242	1,152	1,242	1,152
	Guarantee commissions	5,502	7,501	5,502	7,501
	Other fees and commissions	7,689	6,712	9,501	9,104
	Total fee and commission income	22,876	23,609	24,688	26,001
	Fee and commissions paid				
	Securities trading and custody accounts	1,380	1,306	1,380	1,306
	Net fee and commission income	21,496	22,303	23,308	24,864
6	Market value adjustments				
	Loans and advances	-1,033	3,636	-1,033	3,636
	Bonds	-975	4,111	-975	4,111
	Shares	6,271	-3,239	6,271	-3,239
	Foreign exchange	3,439	2,089	3,439	2,089
	Total derivatives of which:	-730	-5,021	-730	-5,021
	<i>Currency Swaps</i>	-10	85	-10	85
	<i>Interest Swaps</i>	-281	63,352	-281	63,352
	<i>Other contracts</i>	-438	-68,458	-438	-68,458
	Assets under pooled schemes	2,639	888	2,639	888
	Deposits in pooled schemes	-2,639	-888	-2,639	-888
	Total market value adjustments	6,972	1,576	6,972	1,576

Note	DKK 1,000	Group		Føroya Banki	
		Q1	Q1	Q1	Q1
		2024	2023	2024	2023
7	Other operating income				
	Profit on sale of properties	67	70	67	70
	Other income	2,321	1,280	491	550
	Total other operating income	2,388	1,350	558	620
8	Staff costs and administrative expenses				
	Staff costs:				
	Salaries	29,546	30,245	25,356	29,157
	Pensions	4,549	3,876	3,988	3,736
	Social security expenses	4,723	4,026	4,261	3,971
	Total staff costs	38,818	38,147	33,605	36,864
	Administrative expenses:				
	IT	13,762	13,711	12,156	13,600
	Marketing etc	3,423	1,986	3,065	1,972
	Education etc	792	730	617	584
	Other expenses	9,594	7,873	6,958	6,972
	Total administrative expenses	27,570	24,301	22,796	23,127
	Total staff costs	38,818	41,887	33,605	36,864
	Total administrative expenses	27,570	24,301	22,796	23,127
	Staff and administrative costs incl. under the item "Insurance service expenses"	-8,006	-6,252	0	0
	Total staff costs and administrative expenses	58,382	59,935	56,401	59,991
	Number of employees				
	Average number of full-time employees in the period	208	201	176	170
	Executive remuneration:				
	Board of Directors	540	450	540	450
	Executive Board:				
	Salaries	673	2,011	673	2,011
	- less fees received from directorships	59	0	59	0
	The Bank's expense, salaries	613	2,011	613	2,011
	Pension	101	298	101	298
	Total executive board	714	2,309	714	2,309
	Total executive remuneration	1,254	2,759	1,254	2,759

Note	DKK 1,000	Group		Føroya Banki	
		Q1	Q1	Q1	Q1
		2024	2023	2024	2023
9	Impairment charges on loans and advances and provisions for guarantees etc.				
	Impairment charges and provisions at 31 December	182,347	185,981	182,347	185,981
	New and increased impairment charges and provisions	84,996	40,440	84,996	40,440
	Reversals of impairment charges and provisions	59,887	47,826	59,887	47,826
	Written-off, previously impaired	669	310	669	310
	Interest income on impaired loans	790	651	790	651
	Total impairment charges and provisions at 31 March	206,787	178,285	206,787	178,285
	Impairment charges and provisions recognised in the income statement				
	Loans and advances at amortised cost	14,395	-11,657	14,395	-11,657
	Loans and advances at fair value	4,487	0	4,487	0
	Guarantees and loan commitments	3,847	3,257	3,847	3,257
	Assets held for sale	0	0	0	0
	Total individual impairment charges and provisions	22,730	-8,400	22,730	-8,400
	Stage 1 impairment charges				
	Stage 1 impairment charges etc. at 31 December	76,219	43,128	76,219	43,128
	New and increased Stage 1 impairment charges	41,835	16,288	41,835	16,288
	Reversals, net of Stage 1 impairment charges	40,060	10,747	40,060	10,747
	Stage 1 impairment charges at 31 March	77,994	48,669	77,994	48,669
	Total net impact recognised in the income statement	1,775	5,541	1,775	5,541
	Stage 2 impairment charges				
	Stage 2 impairment charges etc. at 31 December	38,196	32,535	38,196	32,535
	New and increased impairment charges	13,055	13,293	13,055	13,293
	Reversals, net of impairment charges	15,051	10,312	15,051	10,312
	Stage 2 impairment charges at 31 March	36,200	35,516	36,200	35,516
	Total net impact recognised in the income statement	-1,996	2,981	-1,996	2,981
	Weak Stage 2				
	Weak Stage 2 impairment charges etc. at 31 December	7,278	25,792	7,278	25,792
	New and increased impairment charges	1,047	2,777	1,047	2,777
	Reversals, net of impairment charges	2,606	17,593	2,606	17,593
	Weak Stage 2 impairment charges at 31 March	5,719	10,977	5,719	10,977
	Total net impact recognised in the income statement	-1,558	-14,815	-1,558	-14,815
	Stage 3 impairment charges				
	Stage 3 impairment charges etc. at 31 December	56,450	80,172	56,450	80,172
	New and increased impairment charges	24,723	2,416	24,723	2,416
	Reversals of impairment charges	1,682	6,765	1,682	6,765
	Written-off, previously impaired	669	310	669	310
	Write-offs charged directly to the income statement	180	0	180	0
	Received on claims previously written off	1,770	363	1,770	363
	Interest income on impaired loans	790	651	790	651
	Stage 3 impairment charges at 31 March	78,822	75,513	78,822	75,513
	Total net impact recognised in the income statement	20,662	-5,363	20,662	-5,363
	Purchased credit-impaired assets included in stage 3 above				
	Purchased credit-impaired assets at 31 December	1,341	10,722	1,341	10,722
	Reversals of impairment charges	158	0	158	0
	Write-offs charged directly to the income statement	0	0	0	0
	Purchased credit-impaired assets at 31 March	1,183	10,722	1,183	10,722
	Reclassified to Assets in disposal groups classified as held for sale				
	Provisions for guarantees and undrawn credit lines				
	Individual provisions at 31 December	4,204	4,353	4,204	4,353
	New and increased provisions	4,336	5,667	4,336	5,667
	Reversals of provisions	488	2,409	488	2,409
	Provisions for guarantees etc. at 31 March	8,051	7,610	8,051	7,610
	Total net impact recognised in the income statement	3,847	3,257	3,847	3,257
	Provisions for guarantees and undrawn credit lines				
	Stage 1 provisions	752	1,210	752	1,210
	Stage 2 provisions	2,578	5,497	2,578	5,497
	Weak Stage 2 provisions	0	0	0	0
	Stage 3 provisions	4,721	903	4,721	903
	Provisions for guarantees etc. at 31 March	8,051	7,610	8,051	7,610

Note	DKK 1,000	Group		Føroya Banki	
		March 31	Dec. 31	March 31	Dec. 31
		2024	2023	2024	2023
10	Due from credit institutions etc. specified by maturity				
	On demand	618,457	260,050	618,457	260,050
	Total due from credit institutions etc.	618,457	260,050	618,457	260,050
11	Contingent liabilities				
	Guarantees				
	Financial guarantees	166,003	177,202	166,003	177,202
	Mortgage finance guarantees	563,173	556,151	563,173	556,151
	Registration and remortgaging guarantees	111,181	32,835	111,181	70,353
	Other guarantees	202,743	84,817	202,743	216,463
	Total guarantees	1,043,100	851,004	1,043,100	1,020,169

12 **Assets deposited as collateral**

At March 31 2024 the Group had deposited cash amounting to DKK 35.1m (Mar. 31 2023: 30.8m) 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 8.7m (Mar. 31 2023: DKK 12.4m) in connection with negative market value of derivatives.

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 2024.

The consolidated financial statements for the first three months to 31 March 2024 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 2024, 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 2024.

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 a whole, as well as a description of the significant risks and elements of uncertainty that may affect the Group.

Tórshavn, 2 May 2024

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Turið F. Arge
CEO

Board of Directors

Birgir Durhuus
Chair

Annfinn Vitalis Hansen
Vice chair

Kristian Reinert Davidsen

Marjun Eystberg

Tom Ahrenst

Árni Tór Rasmussen

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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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