

Føroya Banki

Financials
Denmark

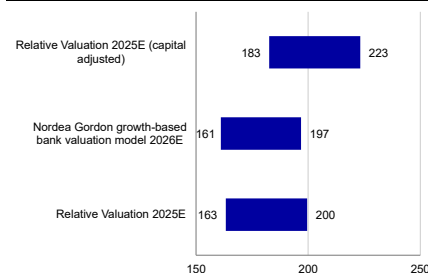
KEY DATA

Stock country	Faroe Islands
Bloomberg	FOBANK DC
Reuters	FORBANK.CO
Share price (close)	DKK 164.5
Free float	65%
Market cap. (bn)	EUR 0.21/DKK 1.57
Website	www.banknordik.com
Next report date	30 Apr 2025

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2025E	2026E	2027E
Total revenue	0%	0%	0%
Total costs	0%	0%	0%
Profit before loan losses	0%	-1%	-1%
PTP	0%	-1%	-1%
DPS (ord)	0%	-1%	-1%
EPS (adj)	0%	-1%	-1%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Mathias Nielsen
Associate Director

A solid bank in uncertain times

Føroya Banki reports its Q1 2025 results on 30 April. We make only minor estimates revisions ahead of the report and raise our full-year net profit estimate by DKK ~1m, to DKK 221m, which is slightly below the midpoint of the bank's guidance range of DKK 210-240m. Despite macroeconomic uncertainty stemming from US-imposed tariffs (10% on Faroe Islands), we argue that Føroya Banki is relatively well positioned, as the US ranks low among Faroese export partners (~1%). Føroya Banki is trading at a 2025E adjusted P/E of ~5x, below that of Danish peers at ~9x. We lower our Gordon growth-based fair value range to DKK 161-197 (192-235), led by the share trading ex-dividend since our latest update.

Underlying performance likely to remain solid during Q1

We estimate Q1 2025 net profit of DKK 63m, up DKK 8m y/y. The improvement is primarily driven by an expected drop in credit impairments, as we estimate Q1 2025 loan losses of DKK 0m, down DKK 23m y/y. We estimate Q1 net interest income of DKK 76m, down DKK 16.4m (18%) y/y, amid lower market rates. We model lending growth of 2.7% y/y in Q1, 0.4pp higher than Q4 2024, while we forecast lending growth of 0.7% q/q. This is reflective of official datapoints showing general Faroese lending growth of ~4.3% y/y in February, versus ~3.2% y/y in December 2024. We maintain moderate growth expectations for Greenland, owing to recent political uncertainty and the completion of major construction projects last year.

2025E net profit raised by DKK 1m, 2026E-27E net profit trimmed by 1%

We lower 2026E-27E profit before loan losses by 1-2% to reflect pressures on interest margins and expectations of slightly lower net commission income. This is offset by increased estimated earnings from investment portfolios and a DKK 1m increase in net insurance income, capturing expected tailwinds from relatively mild weather conditions in Q1. We estimate 2025 net profit of DKK 221m.

Asset quality and capital in focus amid macroeconomic uncertainty

Føroya Banki's asset quality was solid in Q4 2024, but given the recent turmoil it will likely remain a key focus area. While the recent 10% US tariff on Faroese goods is unlikely to materially affect the economy, given the US' limited role as an export partner, broader inflationary pressures and a potential economic slowdown could gradually erode borrower resilience in the long term. We expect a gradual normalisation of loan losses through 2025 into 2026. We estimate a 2025 loan loss ratio of 25bp with 0bp in Q1 2025. We estimate a 2026-27 loan ratio of ~37bp. Føroya Banki's Q4 2024 CET1 ratio of 23.8% also remains comfortably above its 2026 target of 23.0% and ~10.4pp above the regulatory requirement.

SUMMARY TABLE - KEY FIGURES

DKK m	2021	2022	2023	2024	2025E	2026E	2027E
Total revenue	407	447	528	502	478	490	505
Total costs	236	244	259	273	280	282	285
LL-ratio	-1.01%	-0.59%	-0.12%	-0.01%	0.24%	0.32%	0.40%
PTP	340	207	379	366	273	265	268
RoE	12.7%	7.9%	16.8%	15.0%	11.0%	10.9%	10.8%
RoTBV (adj)	9.2%	7.6%	16.5%	14.8%	10.6%	10.6%	10.4%
P/E (adj)	6.8	8.9	5.2	5.4	7.4	7.6	7.5
P/BV	0.66	0.72	0.85	0.75	0.81	0.79	0.77
P/TBV	0.66	0.72	0.85	0.75	0.82	0.79	0.77
BIS III CT1-ratio	23.8%	21.6%	25.8%	23.8%	23.7%	23.6%	23.4%
DPS (ord, DKK)	40.33	26.12	8.36	36.56	16.14	15.68	15.87
Dividend Yield (ord)	28.70%	19.20%	5.08%	22.57%	9.81%	9.53%	9.65%
Total payout ratio	1.42	1.64	0.26	1.19	0.70	0.70	0.70

Source: Company data and Nordea estimates

Estimates

CHANGES TO OUR ESTIMATES

DKKkm	New estimates			Old estimates			Change (%)			Change (DKK)		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Net interest income	301	307	315	303	309	317	-1%	-1%	-1%	-2	-2	-2
Net fee and commission income	77	80	83	77	80	83	0%	0%	0%	0	0	0
Net insurance income	58	60	63	57	60	63	2%	0%	0%	1	0	0
Other income	42	43	45	42	43	45	0%	0%	0%	0	0	0
Total Income	478	490	505	479	492	507	0%	0%	0%	-1	-2	-2
Total Expenses	-280	-282	-285	-280	-282	-285	0%	0%	0%	0	0	0
Profit before loan losses	198	208	220	199	210	222	0%	-1%	-1%	-1	-2	-2
Loan losses	-23	-31	-40	-23	-31	-40	0%	0%	0%	0	0	0
Operating profits	176	177	180	176	179	182	0%	-1%	-1%	-1	-2	-2
Earnings from investment portfolio	97	88	88	95	88	88	2%	0%	0%	2	0	0
Non-recurring and industry solutions	0	0	0	0	0	0	-	-	-	0	0	0
Profit before tax	273	265	268	271	267	270	0%	-1%	-1%	1	-2	-2
Discontinued operations before tax	0	0	0	0	0	0	-	-	-	0	0	0
Taxes	-52	-50	-51	-52	-51	-51	0%	-1%	-1%	0	0	0
Net profit	221	214	217	220	216	219	0%	-1%	-1%	1	-2	-2
EPS adj, DKK	22.2	21.6	21.8	22.1	21.7	22.0	0%	-1%	-1%	0.1	-0.2	-0.2
DPS, DKK	16.1	15.7	15.9	16.1	15.8	16.0	0%	-1%	-1%	0.1	-0.1	-0.1
CET1 ratio	23.7%	23.6%	23.4%	23.7%	23.5%	23.4%	-	-	-	0.0pp	0.0pp	0.0pp

Source: Nordea Estimates

Reported numbers and forecasts

QUARTERLY KEY DATA

SHARE DATA

DKKm	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25E	Q2 25E	Q3 25E	Q4 25E
EPS, DKK	3.92	5.78	5.99	4.24	3.67	3.13	3.20	2.58
EPS adj, DKK	3.92	5.78	5.99	4.24	3.67	3.13	3.20	2.58
BVPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TVBS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
DPS, DKK								
Dividend pay-out ratio								
Share repurchases (per share)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total pay-out ratio	0%	0%	0%	0%	0%	0%	0%	0%
Share price (period end)	153.00	150.00	152.00	162.00	171.00	164.50	164.50	164.50
Market cap. (m)	2,921	4,296	5,804	7,732	7,852	7,852	7,852	7,852
Dil. number of shares period end (m)	19	29	38	48	48	48	48	48

VALUATION

(x)	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25E	Q2 25E	Q3 25E	Q4 25E
P/E	9.8	6.5	6.3	9.5	11.2	13.1	12.8	16.0
P/E (adj.)	9.8	6.5	6.3	9.5	11.2	13.1	12.8	16.0
P/BV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P/TBV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend yield								
Total yield								

CAPITAL RATIOS

%	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25E	Q2 25E	Q3 25E	Q4 25E
BIS II Trans. CET1-ratio	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
BIS II Trans. T1-ratio	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
BIS II Trans. T2-ratio	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
BIS III CET1-ratio	25.0%	25.6%	25.1%	23.8%	23.6%	23.3%	23.1%	23.7%
BIS III T1-ratio	27.0%	27.5%	25.1%	23.8%	23.6%	23.3%	23.1%	23.7%
BIS III T2-ratio	28.6%	29.2%	26.5%	25.2%	25.0%	24.7%	24.4%	25.0%
Tang. Equity/Assets	13.6%	14.1%	14.2%	14.3%	12.2%	12.5%	12.8%	13.1%
Tang. Equity/Lending	20.4%	21.1%	22.0%	22.8%	19.5%	19.9%	20.3%	20.6%
Leverage ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CREDIT QUALITY

DKKm	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25E	Q2 25E	Q3 25E	Q4 25E
Impaired loans	0	0	0	0	0	0	0	0
Loan loss reserves	307	306	304	303	301	300	298	297
Coverage ratio	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Loan loss reserves / Total loans	3.45%	3.41%	3.36%	3.33%	3.30%	3.26%	3.22%	3.18%
Impaired loans / Total loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Collective/total provisions	0%	0%	0%	0%	0%	0%	0%	0%
Perf. Impaired loans/Impaired loans	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Loan loss ratio	1.02%	-0.30%	-0.25%	-0.50%	0.00%	0.22%	0.32%	0.43%
Growth loan loss reserves (y/y)	-2%	-2%	-2%	-2%	-2%	-2%	-2%	-2%
Growth impaired loans (y/y)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

PROFITABILITY

Adjusted for non-rec. Items	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25E	Q2 25E	Q3 25E	Q4 25E
RoE	12.0%	18.6%	19.6%	14.2%	13.3%	12.1%	12.0%	9.4%
RoTBV	12.0%	18.7%	19.7%	14.2%	13.4%	12.1%	12.1%	9.5%
C/I	-48.0%	-51.9%	-50.9%	-61.1%	-55.8%	-59.4%	-56.5%	-62.5%
NII-margin	4.15%	3.99%	3.83%	3.44%	3.31%	3.25%	3.23%	3.25%

REVENUE DISTRIBUTION

Adjusted for non-rec. Items	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25E	Q2 25E	Q3 25E	Q4 25E
Net Interest Income	69%	68%	64%	67%	63%	63%	60%	65%
Net Commission Income	14%	13%	13%	16%	17%	15%	15%	17%
Net result from financial transactions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net insurance income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Income	8%	8%	8%	8%	9%	9%	8%	9%

Source: Company data and Nordea estimates

QUARTERLY INCOME STATEMENT AND BALANCE SHEET
INCOME STATEMENT

DKKm	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25E	Q2 25E	Q3 25E	Q4 25E
Net Interest Income	92	90	87	78	76	75	75	76
Net Commission Income	19	17	18	19	20	18	19	20
Net result from financial transactions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net insurance income	12	15	20	10	13	15	20	10
Other income	11	10	10	9	11	11	11	11
Total revenues	135	132	135	117	119	118	124	117
Staff costs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other operating costs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Depreciation	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total Expenses	65	68	69	72	66	70	70	73
Profit before loan losses	70	63	66	46	53	48	54	44
Loan losses	-23	7	6	11	0	-5	-8	-10
Write-downs on assets	0	0	0	0	0	0	0	0
Operating profit	70	105	120	88	80	68	69	56
Taxes	-15	-18	-23	-15	-15	-13	-13	-11
Discontinued operations	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Minority interest	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net profit to equity	55	87	96	72	64	55	56	45

BALANCE SHEET

DKKm	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25E	Q2 25E	Q3 25E	Q4 25E
Cash / Interbank	1,786	2,083	2,619	2,696	2,696	2,696	2,696	2,696
Loans to credit institutions	618	437	354	311	311	311	311	311
Loans to the public	8,915	9,023	9,072	9,086	9,152	9,225	9,299	9,373
Goodwill and other intangibles	5	5	6	5	5	5	5	5
Total assets	13,377	13,492	14,055	14,512	14,577	14,650	14,724	14,798
Interbank/owed to credit institutions	688	684	963	823	823	823	823	823
Deposits	9,043	9,227	9,410	10,065	10,065	10,065	10,065	10,065
Subordinated loans	100	100	100	100	100	100	100	100
Minority interest	5	6	7	8	8	8	8	8
Shareholders equity	1,824	1,909	2,004	2,076	1,790	1,842	1,896	1,937
Total equity and liabilities	13,377	13,492	14,055	14,512	14,577	14,650	14,724	14,798
Loans to deposits	99%	98%	96%	90%	91%	92%	92%	93%
Non-mortg. loans to deposits	99%	98%	96%	90%	91%	92%	92%	93%
LCR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NSFR	0%	0%	0%	0%	0%	0%	0%	0%

GROWTH (Y/Y)

Adjusted for non rec.items	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25E	Q2 25E	Q3 25E	Q4 25E
Net interest income	19%	4%	-10%	-22%	-18%	-17%	-14%	-3%
Net commission income	-9%	-9%	-7%	10%	3%	5%	5%	4%
Total Revenues	20%	-2%	-9%	-12%	-12%	-10%	-8%	0%
Staff costs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total expenses	2%	6%	5%	9%	3%	3%	2%	2%
Profit before loan losses	44%	-10%	-20%	-33%	-25%	-25%	-19%	-4%
Operating profit	-11%	14%	11%	-20%	14%	-36%	-42%	-36%
Net profit to equity	-14%	17%	9%	-18%	17%	-37%	-42%	-38%
Loans to the public (rep)	7%	4%	3%	2%	3%	2%	2%	3%
Deposits	6%	9%	9%	15%	11%	9%	7%	0%
Assets	7%	8%	12%	12%	9%	9%	5%	2%
REA growth (BIS Trans)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
REA growth (BIS III)	-5%	-2%	-2%	5%	3%	7%	6%	4%

Source: Company data and Nordea estimates

ANNUAL KEY DATA**SHARE DATA**

DKKm	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
EPS, DKK	26.55	21.70	17.49	28.50	15.91	32.12	30.66	23.06	22.40	22.68
EPS adj, DKK	19.95	22.95	16.91	20.66	15.33	31.54	30.23	22.23	21.57	21.84
BVPS	207.6	238.5	237.9	212.7	189.8	193.3	216.9	202.3	207.5	213.5
TVBS	206.9	237.5	237.6	212.4	189.5	193.1	216.3	201.8	207.0	213.0
DPS (tot., DKK)	7.32	0.00	52.14	40.33	26.12	8.36	36.56	16.14	15.68	15.87
Dividend pay-out ratio	37%	0%	308%	195%	170%	26%	121%	73%	73%	73%
Share repurchases (per share)	0.00	1.61	0.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total pay-out ratio	27%	7%	303%	142%	164%	26%	119%	70%	70%	70%
Share price (period end)	109	109	152	141	136	165	162	165	165	165
Market cap. (m)	1,038	1,034	1,451	1,345	1,302	1,575	1,551	1,575	1,575	1,575
Dil. number of shares	10	9	10	10	10	10	10	10	10	10

VALUATION

(x)	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
P/E	4.1	5.0	8.7	4.9	8.5	5.1	5.3	7.1	7.3	7.3
P/E (adj.)	5.4	4.8	9.0	6.8	8.9	5.2	5.4	7.4	7.6	7.5
P/BV	0.52	0.46	0.64	0.66	0.72	0.85	0.75	0.81	0.79	0.77
P/TBV	0.52	0.46	0.64	0.66	0.72	0.85	0.75	0.82	0.79	0.77
Dividend yield (tot.)	6.7%	0.0%	34.3%	28.7%	19.2%	5.1%	22.6%	9.8%	9.5%	9.6%
Total yield	6.7%	1.5%	34.8%	28.7%	19.2%	5.1%	22.6%	9.8%	9.5%	9.6%

CAPITAL RATIOS

%	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
BIS II Trans. CET1-ratio	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
BIS II Trans. Capital ratio	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
BIS III CET	1,874	2,023	2,206	1,629	1,556	1,758	1,712	1,768	1,823	1,878
BIS III REA	10,621	10,764	9,774	6,841	7,195	6,819	7,180	7,467	7,735	8,011
BIS III CET1-ratio	17.6%	18.8%	22.6%	23.8%	21.6%	25.8%	23.8%	23.7%	23.6%	23.4%
BIS III T1-ratio	17.6%	20.2%	24.1%	26.0%	23.7%	28.0%	23.8%	23.7%	23.6%	23.4%
BIS III Capital ratio	19.8%	22.3%	26.4%	27.5%	25.1%	29.4%	25.2%	25.0%	24.9%	24.7%
Tang. Equity/Assets	11.9%	12.4%	13.1%	17.2%	14.9%	14.3%	14.3%	13.1%	13.1%	13.2%
Tang. Equity/Lending	19.9%	22.7%	29.8%	26.7%	22.4%	20.8%	22.8%	20.6%	20.4%	20.3%
Leverage ratio	11.2%	11.1%	12.8%	13.8%	12.8%	13.6%	11.8%	11.9%	12.0%	12.1%

CREDIT QUALITY

DKKm	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Impaired loans	0	0	0	0	0	0	0	0	0	0
Loan loss reserves	607	496	328	321	315	309	303	297	291	285
Coverage ratio	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Loan loss reserves / Total loans	6.23%	5.00%	3.74%	4.22%	4.01%	3.64%	3.37%	3.21%	3.05%	2.88%
Impaired loans / Total loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Collective/total provisions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Perf. Impaired loans/Impaired loans	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Loan loss ratio	-1.14%	-1.06%	-0.06%	-1.01%	-0.59%	-0.12%	-0.01%	0.24%	0.32%	0.40%
Growth loan loss reserves (y/y)	19%	-18%	-34%	-2%	-2%	-2%	-2%	-2%	-2%	-2%
Growth impaired loans (y/y)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

PROFITABILITY

Adjusted for non-rec. Items	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
RoE	10.2%	10.3%	7.1%	9.2%	7.6%	16.5%	14.7%	10.6%	10.5%	10.4%
RoTBV	10.2%	10.3%	7.1%	9.2%	7.6%	16.5%	14.8%	10.6%	10.6%	10.4%
C/I	-71.9%	-71.9%	-61.4%	-58.0%	-54.6%	-49.0%	-54.5%	-58.5%	-57.6%	-56.5%
NII-margin	3.83%	3.67%	2.87%	3.32%	3.34%	4.16%	3.61%	3.15%	3.11%	3.08%

REVENUE DISTRIBUTION

Adjusted for non-rec. Items	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Net Interest Income	59%	55%	65%	62%	59%	67%	65%	61%	61%	60%
Net Commission Income	27%	29%	16%	19%	20%	15%	15%	16%	16%	16%
Net result from financial transactions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net insurance income	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Income	7%	7%	6%	8%	9%	6%	8%	9%	9%	9%

Source: Company data and Nordea estimates

ANNUAL INCOME STATEMENT AND BALANCE SHEET**INCOME STATEMENT**

DKKm	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Net Interest Income	373	367	258	260	270	360	330	301	307	315
Net Commission Income	172	189	60	79	88	77	74	77	80	83
Net result from financial transactions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net insurance income	44	53	45	34	52	60	57	58	60	63
Other income	46	49	24	34	38	32	41	42	43	45
Total revenues	635	658	387	407	447	528	502	478	490	505
Staff costs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other operating costs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Depreciation	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total Expenses	457	473	237	236	244	259	273	280	282	285
Profit before loan losses	179	185	149	171	203	269	228	198	208	220
Loan losses	111	106	5	77	47	10	1	-23	-31	-40
Write-downs on assets	72	-13	0	89	0	-9	0	0	0	0
Operating profit	324	261	207	340	207	379	366	273	265	268
Taxes	-66	-54	-40	-67	-55	-72	-72	-52	-50	-51
Discontinued operations	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Minority interest	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net profit to equity	257	207	166	272	152	308	294	221	214	217

BALANCE SHEET

DKKm	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Cash / Interbank	180	252	208	1,292	1,443	1,796	2,696	2,696	2,696	2,696
Loans to credit institutions	914	878	1,178	445	390	260	311	311	311	311
Loans to the public	9,956	9,909	7,608	7,624	8,083	8,883	9,086	9,373	9,708	10,056
Goodwill and other intangibles	7	10	2	3	2	2	5	5	5	5
Total assets	16,700	18,173	17,290	11,790	12,190	12,945	14,512	14,798	15,134	15,481
Interbank/owed to credit institutions	299	55	28	839	858	719	823	823	823	823
Deposits	13,878	15,164	7,733	7,902	8,360	8,735	10,065	10,065	10,065	10,065
Subordinated loans	223	224	225	99	100	100	100	100	100	100
Minority interest	0	0	0	0	0	0	0	1	2	2
Shareholders equity	1,987	2,263	2,271	2,036	1,817	1,851	2,076	1,937	1,987	2,044
Total equity and liabilities	16,700	18,173	17,290	11,792	12,190	12,945	14,512	14,798	15,134	15,481
Loans to deposits	72%	65%	98%	96%	97%	102%	90%	93%	96%	100%
Non-mortg. loans to deposits	72%	65%	98%	96%	97%	102%	90%	93%	96%	100%
LCR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NSFR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

GROWTH (Y/Y)

Adjusted for non rec.items	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Net interest income	-4%	-2%	-31%	1%	4%	34%	-8%	-10%	2%	3%
Net commission income	-7%	10%	-68%	32%	11%	-13%	-4%	4%	4%	4%
Total Revenues	-2%	4%	-41%	5%	10%	18%	-5%	-5%	3%	3%
Staff costs	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Total expenses	-1%	4%	-50%	0%	3%	6%	6%	2%	1%	1%
Profit before loan losses	-4%	3%	-19%	15%	19%	33%	-15%	-13%	5%	6%
Operating profit	4%	7%	-21%	64%	-39%	83%	-4%	-25%	-3%	1%
Net profit to equity	1%	13%	-26%	23%	-26%	106%	-4%	-26%	-3%	1%
Loans to the public (rep)	4%	0%	-23%	0%	6%	10%	2%	3%	4%	4%
Deposits	6%	9%	-49%	2%	6%	4%	15%	0%	0%	0%
Assets	6%	9%	-5%	-32%	3%	6%	12%	2%	2%	2%
REA growth (BIS Trans)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
REA growth (BIS III)	7%	1%	-9%	-30%	5%	-5%	5%	4%	4%	4%

Source: Company data and Nordea estimates

Disclaimer and legal disclosures

Origin of the report

This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

Content of report

This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision.

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

Validity of the report

All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

No individual investment or tax advice

The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

Sources

This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

Limitation of liability

Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

Risk information

The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

Conflicts of interest

Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report. Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at www.nordea.com/mifid.

Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: <https://research.nordea.com/compliance>

Distribution restrictions

The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.

This research report has not been prepared for distribution outside the EU, the UK or the US. The content of this research report is not a product disclosure statement or other regulated document for the purposes of the Australian Corporations Act 2001 (CTH). The distribution of this research report in Australia has not been authorised by any regulatory authority in Australia, and Nordea bank Abp is not licensed by the Australian Securities and Investment Commission to provide financial services in Australia.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanstilsynet (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available upon request.

Nordea Bank Abp ("Nordea") research is not "globally branded" research. Nordea research reports are intended for distribution in the United States solely to "major U.S. institutional investors," as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC ("Nordea Securities"), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

This report may not be mechanically duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws.

Analyst Shareholding

Nordea analysts do not hold shares in the companies that they cover.
No holdings or other affiliations by analysts or associates.

Fair value and sensitivity

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive. It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

Marketing Material

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Market-making obligations and other significant financial interest

Nordea has no market-making obligations in Føroya Banki shares.

As of 24/04/2025, Nordea Abp holds no positions of 0.5% or more of shares issued

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

Investment banking transactions and/or services

Nordea has been lead or co-lead manager in a public disclosed offer of financial instruments issued by Føroya Banki over the previous 12 months.

Issuer Review

This report has not been reviewed by the Issuer prior to publication.

Completion Date

25 Apr 2025, 00:44 CET

Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
Nordea IB & Equity Division, Equity Research Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland	Nordea IB & Equity Division, Equity Research Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden	Nordea IB & Equity Division, Equity Research Visiting address: Grønlandsvej 10 DK-2300 Copenhagen S Denmark	Nordea IB & Equity Division, Equity Research Visiting address: Essendropsgate 7 N-0107 Oslo Norway
Tel: +358 9 1651 Fax: +358 9 165 59710	Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Tel: +45 3333 3333 Fax: +45 3333 1520	Tel: +47 2248 5000 Fax: +47 2256 8650
Reg.no. 2858394-9 Satamaradankatu 5 Helsinki			