

21 January 2025

Commissioned research: Føroya Banki –Another guidance upgrade

Marketing material commissioned by Føroya Banki

This afternoon, Føroya Banki raised its 2024 net profit guidance to DKK 302-312m (previously DKK 275-300m) amid a solid investment portfolio return and lower loan losses than expected during Q4 2024. We estimate 2024 net profit of DKK 294m. This was the third guidance upgrade from the bank since the H1 2024 results. While it looks like a low quality beat with limited impact for 2025-26 estimates, we note that this once again underlines the solid asset quality of Føroya Banki in our view. We would hence expect to see a minor positive share reaction today.

SUMMARY TABLE - KEY FIGURES

DKKm	2021	2022	2023	2024E	2025E	2026E
Total revenue	407.1	447.2	528.3	524.6	511.9	521.3
Total costs	236.1	244.1	259.0	270.7	274.7	277.5
LL-ratio	-0.01	-0.01	0.00	0.00	0.00	0.00
PTP	339.5	207.2	379.3	364.3	282.2	283.9
RoE	12.7%	7.91%	16.8%	15.0%	11.4%	11.8%
RoTBV	9.18%	7.63%	16.5%	14.9%	11.4%	11.8%
P/E (adj)	6.80	8.87	5.22	5.48	6.95	6.91
P/BV	66.1%	71.7%	85.1%	77.1%	81.6%	81.4%
P/TBV	0.66	0.72	0.85	0.77	0.82	0.82
BIS III CT1-ratio	23.8%	21.6%	25.8%	24.1%	23.2%	23.3%
DPS (ord. SEK)	40.3	26.1	8.36	35.6	23.5	16.8
Dividend yield (ord)	28.7%	19.2%	5.08%	21.5%	14.2%	10.1%
Total payout ratio	1.42	1.64	0.26	1.16	0.98	0.70

Source: Company data and Nordea estimates

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Completion date: 21/01/2025 14:30 CET

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