

# Interim Report

H1 2025

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## Financial highlights and ratios - Føroya Banki Group

Highlights	H1	H1	Index	Q2	Q1	Q4	Q3	Q2
DKK 1,000	2025	2024	25 / 24	2025	2025	2024	2024	2024
Net interest income	199.358	227.623	88	101.149	98.209	103.019	111.609	114.103
Dividends from shares and other investments	14.407	11.997		14.259	148	0	0	11.996
Net fee and commission income	41.801	38.883	108	20.639	21.162	20.515	19.354	17.387
Net interest and fee income	255.567	278.502	92	136.047	119.520	123.534	130.963	143.486
Net insurance result	34.017	21.834	156	23.297	10.720	7.463	18.450	12.416
Interest and fee income and income from insurance activities, net	289.584	300.336	96	159.344	130.240	130.997	149.414	155.902
Market value adjustments	23.154	6.845	338	10.090	13.064	12.056	26.442	-127
Other operating income	9.586	4.714	203	6.682	2.905	1.889	3.092	2.326
Staff costs and administrative expenses	125.342	119.964	104	62.462	62.880	65.929	62.476	61.582
Impairment charges on loans and advances etc.	6.871	15.946	43	1.761	5.110	-11.400	-5.619	-6.783
<b>Net profit</b>	<b>153.996</b>	<b>142.038</b>	<b>108</b>	<b>93.067</b>	<b>60.930</b>	<b>72.342</b>	<b>96.047</b>	<b>87.000</b>
Loans and advances	9.694.764	9.022.744	107	9.694.764	9.270.369	9.086.392	9.072.315	9.022.744
Bonds at fair value	1.496.232	1.323.609	113	1.496.232	1.741.261	1.757.200	1.348.484	1.323.609
Intangible assets	4.834	4.993	97	4.834	4.679	5.084	5.558	4.993
Assets held for sale	2.207	0		2.207	2.207	2.207	0	0
Total assets	14.636.771	13.491.880	108	14.636.771	14.800.460	14.511.644	14.055.478	13.491.880
Amounts due to credit institutions and central banks	815.064	683.841	119	815.064	801.355	823.455	962.792	683.841
Issued bonds at amortised cost	898.966	985.414	91	898.966	803.231	981.190	984.002	985.414
Deposits and other debt	10.382.526	9.173.368	113	10.382.526	10.298.759	10.003.348	9.353.549	9.173.368
Total shareholders' equity	1.880.992	1.909.388	99	1.880.992	1.787.925	2.076.037	2.003.695	1.909.388
	June 30	June 30		June 30	March 31	Dec. 31	Sept. 30	June 30
	2025	2024		2025	2025	2024	2024	2024
<b>Ratios and key figures</b>								
<b>Solvency</b>								
Total capital, incl. MREL capital, ratio, %	35,9	40,8		35,9	36,0	36,3	37,9	40,8
Total capital ratio, %	24,0	29,2		24,0	24,9	25,2	26,5	29,2
Tier 1 capital ratio, %	22,7	27,5		22,7	23,5	23,8	25,1	27,5
CET 1 capital	22,7	25,6		22,7	23,5	23,8	25,1	25,6
RWA, DKK mill	7.545	6.859		7.545	7.271	7.180	6.993	6.859
<b>Profitability</b>								
Return on shareholders' equity after tax, %	7,8	7,6		5,1	3,2	3,5	4,9	4,7
Cost / income, %	41,8	44,6		36,6	48,3	39,6	33,2	35,2
Cost / income, % (excl. value adjustm. and impairments)	42,7	40,4		37,7	49,2	51,8	42,7	39,4
Return on assets	1,1	1,1		0,6	0,4	0,5	0,7	0,6
<b>Market risk</b>								
Interest rate risk, %	0,9	0,9		0,9	1,2	1,2	1,0	0,9
Foreign exchange position, %	0,9	0,6		0,9	0,6	0,8	0,8	0,6
Foreign exchange risk, %	0,0	0,0		0,0	0,0	0,0	0,0	0,0
<b>Liquidity</b>								
Liquidity Coverage Ratio (LCR), %	259,7	285,6		259,7	261,1	337,4	302,2	285,6
Net Stable Funding Ratio (NSFR), %	158,3	154,4		158,3	151,0	154,5	156,6	154,4
<b>Credit risk</b>								
Change in loans and advances, %	6,7	1,6		4,6	2,0	0,2	0,5	1,2
Gearing of loans and advances	5,2	4,7		5,2	5,2	4,4	4,5	4,7
Impairment and provisioning ratio, end of period, %	1,8	2,0		1,8	1,8	1,8	1,9	2,0
Write-off and provisioning ratio, %	0,1	0,2		0,0	0,0	-0,1	-0,1	-0,1
Share of amounts due on which interest rates have been reduced, end of period, %	0,3	0,2		0,3	0,3	0,2	0,2	0,2
<b>Shares</b>								
Earnings per share after tax (nom. DKK 20), DKK	16,1	14,8		9,7	6,4	7,6	10,0	9,1
Market price per share (nom. DKK 20), DKK	188,0	150,0		188,0	171,0	162,0	152,0	150,0
Book value per share (nom. DKK 20), DKK	196,5	199,4		196,5	186,8	216,8	209,3	199,4
<b>Other</b>								
Number of full-time employees, end of period	199	209		199	204	207	206	209

## Financial Review

“The second quarter of the year showed positive momentum across most business areas, and today we present a half-year profit of DKK 190m before tax, which is better than originally expected and 8% higher than the same period of 2024. The positive performance was backed by an increase in deposits, lending and the provision of mortgage loans. In addition to the progress in our core business, the results were supported by solid insurance performance as well as extraordinary income from our ownership interests in sector companies and from the sale of a branch property.

Costs were lower than estimated, and impairment charges were also lower than originally expected, reflecting the generally healthy credit quality of the customer portfolio. Our expectations for the second half of the year remain positive; however, they are subject to uncertainties related to interest rate developments as well as potential negative economic impacts from geopolitical unrest and an intensifying trade war,” said Føroya Banki CEO Turið F. Arge.

### H1 2025 Highlights

#### Adjusted Income statement, Group

DKKm	H1 2025	H1 2024	Index	Q2 2025	Q1 2025	Index	Q4 2024	Q3 2024	Q2 2024
Net interest income	160	182	88	84	76	110	78	87	90
Net fee and commission income	39	36	107	19	20	97	19	18	17
Net insurance income	42	27	158	27	16	172	10	20	15
Other operating income (less reclassification)	37	21	174	24	13	185	9	10	10
<b>Total operating income</b>	<b>279</b>	<b>266</b>	<b>105</b>	<b>154</b>	<b>125</b>	<b>124</b>	<b>117</b>	<b>135</b>	<b>132</b>
Operating costs <sup>1</sup>	137	133	103	68	69	99	72	69	68
<b>Profit before impairment charges</b>	<b>142</b>	<b>133</b>	<b>106</b>	<b>86</b>	<b>56</b>	<b>154</b>	<b>46</b>	<b>66</b>	<b>63</b>
Impairment charges, net	7	16	- 43	2	5	34	-11	-6	-7
<b>Operating profit</b>	<b>135</b>	<b>118</b>	<b>115</b>	<b>84</b>	<b>51</b>	<b>166</b>	<b>57</b>	<b>72</b>	<b>70</b>
Investment portfolio earnings <sup>2</sup>	55	58	95	30	25	122	31	48	35
<b>Profit before tax</b>	<b>190</b>	<b>175</b>	<b>108</b>	<b>115</b>	<b>76</b>	<b>151</b>	<b>88</b>	<b>119</b>	<b>105</b>
Operating costs/income, %	49	50		44	55		61	51	52
Number of FTE, end of period	199	209	96	199	204	98	207	206	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 Q1 2025. Due to seasonal variations, comments provided on the insurance segment relate to Q2 2024.

#### Operating income

The Føroya Banki Group generated operating income of DKK 154m in Q2 2025, representing a quarter-on-quarter increase of DKK 29m. The increase was driven almost equally by net interest income, net insurance income and other operating income.

#### Net interest income

Net interest income was DKK 84m in Q2 2025, an increase of DKK 8m compared to Q1 2025, driven mainly by a sizeable increase in lending and lower funding costs.

#### Net fee and commission income

Net fee and commission income amounted to DKK 19m in Q2 2025, DKK 1m lower than in Q1 2025.

**Net insurance income**

Net insurance income was DKK 27m in Q2 2025, DKK 12m higher than in Q2 2024. The increase was driven both by slightly higher premium income and significantly lower claims in Q2 2025 compared to the year-earlier period.

**Other operating income**

Other operating income was DKK 24m in Q2 2025, up DKK 11m on the previous quarter. The significant increase was mainly due to one-off factors including the sale of the Bank's IT-platform provider SDC, changes in the valuation of the Bank's sector shares and the sale of one of the Bank's domicile properties.

**Operating costs**

Operating costs amounted to DKK 68m in Q2 2025, DKK 1m lower than in Q1 2025, reflecting the Bank's ongoing focus on the area.

**Profit before impairment charges**

Profit before impairment charges was DKK 86m in Q2 2025 compared to DKK 56m in Q1 2025.

**Impairment charges**

Net impairment amounted to a charge of DKK 2m in Q2 2025 compared to impairment charges of DKK 5m in Q1 2025. 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 Q2 2025.

**Operating profit**

The resulting operating profit was DKK 84m in Q2 2025, an increase of DKK 34m from the DKK 51m seen in Q1 2025.

**Investment portfolio earnings**

Investment portfolio earnings amounted to DKK 30m in Q2 2025, which was DKK 5m higher than in Q1 2025. The increase was due to higher returns on the Bank's bond holdings and recognised results from an associated company, which offset lower central bank interest rates.

**Profit before tax**

Profit before tax in Q2 2025 was DKK 115m, a 51% increase on the preceding quarter, which saw pre-tax profit of DKK 76m.

Profit before tax for the first half of the year totalled DKK 190m, which is a sizeable increase over the pre-tax profit of DKK 175m seen same period in 2024.

The Bank is pleased with both the increased operating income as well as stable operating costs in the first half of 2025 compared to H1 2024. The fall in net interest income in H1 2025 due to falling interest rates are more than outweighed by rising income in insurance, other operating income as well as lower impairments.

## Balance sheet

Føroya Banki Group's total assets at 30 June 2025 amounted to DKK 14.6bn, up DKK 0.1bn compared to 31 December 2024. Loans and advances were DKK 9.7bn, DKK 608m higher than at 31 December 2024. Deposits were DKK 10.4bn, up DKK 379m compared to 31 December 2024. Liquidity invested in Danish mortgage bonds and Danish government bonds amounted to DKK 1.5bn, a decrease of DKK 261m compared to 31 December 2024. Shareholders' equity at 30 June 2025 amounted to DKK 1,881m, down DKK 195m, net compared to 31 December 2024 due to dividend payments in the amount of DKK 350m.

## Capital and liquidity

At 30 June 2025, the Group's CET1 capital ratio was 22.7%, the Tier 1 capital ratio was 22.7% and the Total capital ratio was 24.0%. The Total capital ratio, incl. MREL capital, was 35.9%. The net profit for H1 2025, amounting to DKK 154.0m, is not included in the calculation of the capital ratios. Including the net profit mentioned the CET1 capital ratio would be 24.7%, the Total capital ratio would be 26.0% and the Total capital ratio, incl. MREL capital, would be 38.0%.

Regarding the capital and solvency calculation, the Bank notes the contingent liability of up to approximately DKK 25m, as detailed in note 13. The contingent liability concerns a dispute with the Danish tax authorities regarding the determination of the taxable gain on the sale of the Bank's Danish operations in 2021.

The Bank notes that CRR3 will take effect for the Bank on 1 January 2026. The overall effect on REA is not expected to be significant, with a slight fall in REA estimated based on the Bank's current asset composition. Risk-weighted items related to credit risk are expected to fall slightly due to the Bank's large portfolio of low-LTV home loans. Risk-weighted items related to operational risk are expected to be largely unchanged, and risk-weighted items related to market risk are expected to be unchanged due to the postponed implementation of the Fundamental Review of the Trading Book (FRTB).

The Group's liquidity indicator was 254.6% on 30 June 2025, well above the requirement of 100%. The Group's LCR at 30 June 2025 was 259.7%, also well above the requirement of 100%. The Group's Net Stable Funding Ratio (NSFR) was 158.3% at 30 June 2025, well above the requirement of 100%.

## Compliance with the Danish FSA Supervisory Diamond

The Supervisory Diamond			
	<u>H1 2025</u>	<u>H1 2024</u>	<u>FSA limit</u>
Sum of large exposures	156.3%	156.1%	< 175%
Liquidity indicator	254.6%	247.8%	>100 %
Loan growth	7.4%	4.2%	< 20 %
Property exposure	12.0%	13.2%	< 25 %

At 30 June 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 30 June 2025 that are deemed to have a significant impact on the Group's financial position.

### **Guidance for 2025**

The Group announced its guidance for 2025 on 28 January when guidance for the year was for net profit in the DKK 210-240m range, return on equity between 10.4% and 11.9% and impairment charges at 0.30 pp of loans.

On 15 July 2025, the Group raised its outlook for net profit to be in the DKK 235-265m range. The upwards revision reflects the strong insurance results, growth in business activity, robust credit quality of the loan portfolio as well as the above-mentioned one-off income.

The guidance is subject to uncertainty, including uncertainty related to changes in interest rates, impairment charges on loans and advances, market value adjustments and macroeconomic developments in the markets in which the Group operates.

## Adjusted results

Adjusted Income statement H1 2025, Group, DKK 1,000	Income statement	Restatement	Restated income statement
Net interest income	199,358	-38,906	160,452
Net fee and commission income	56,209	-17,118	39,091
Net insurance income	34,017	8,247	42,264
Other operating income	9,586	27,562	37,148
Operating income	299,171	-20,215	278,956
Operating costs	129,681	7,180	136,861
Profit before impairment charges	169,490	-27,395	142,095
Impairment charges	6,871	0	6,871
Operating profit	162,620	-27,395	135,225
Investment portfolio earnings	27,558	27,395	54,953
Profit before tax	190,178	0	190,178
Adjusted Income statement H1 2024, Group, DKK 1,000			
Net interest income	227,623	-45,631	181,992
Net fee and commission income	50,880	-15,440	35,440
Net insurance income	21,834	6,048	27,882
Other operating income	4,714	16,574	21,287
Operating income	305,050	-38,448	266,601
Operating costs	125,105	8,027	133,132
Profit before impairment charges	179,944	-46,476	133,469
Impairment charges	15,946	0	15,946
Operating profit	163,998	-46,476	117,522
Investment portfolio earnings	11,454	46,476	57,929
Profit before tax	175,452	0	175,452
Restatements made to the income statement, DKK 1,000		H1 2025	H1 2024
Reclassification of interest income related to bonds from the item Interest income to Investment portfolio earnings.		30,034	47,995
Dividends and fees reclassified from Net fee and commission income to Other operating income.		17,118	11,997
Reclassification of value adjustments related to sector shares and of profit or loss from currency transactions to Other operating income.		10,444	4,577
Reclassification of interest income to Net insurance income due to IFRS 17		8,872	2,364
Reclassification from Net fee and commission income to Operation costs due to IFRS 17			3,443
Reclassification of operating costs from Net insurance income to Operating costs due to IFRS 17		7,180	12,471
Reclassification of market value adjustments from net insurance income to Investment portfolio earnings due to IFRS 17		7,805	4,059



## Segments

We refer 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 regarding these two segments are provided on the following pages. The last page of the segments section sets out the performance of the Bank's insurance subsidiary, Trygd.

### Adjusted Income statement, Banking

DKKm	H1 2025	H1 2024	Index	Q2 2025	Q1 2025	Index	Q4 2024	Q3 2024	Q2 2024
Net interest income	160	182	88	84	76	110	78	87	90
Net fee and commission income	48	44	107	24	24	98	23	22	21
Other operating income	32	19	174	22	11	204	9	9	9
<b>Total operating income</b>	<b>240</b>	<b>245</b>	<b>98</b>	<b>129</b>	<b>111</b>	<b>117</b>	<b>110</b>	<b>118</b>	<b>120</b>
Operating costs	125	121	104	62	63	98	67	63	62
<b>Profit before impairment charges</b>	<b>115</b>	<b>124</b>	<b>93</b>	<b>67</b>	<b>48</b>	<b>141</b>	<b>44</b>	<b>55</b>	<b>58</b>
Impairment charges, net	7	16	43	2	5	34	-11	-6	-7
<b>Operating profit</b>	<b>108</b>	<b>108</b>	<b>100</b>	<b>66</b>	<b>43</b>	<b>154</b>	<b>55</b>	<b>61</b>	<b>65</b>
Investment portfolio earnings	53	52	103	28	25	113	29	43	33
<b>Profit before tax</b>	<b>162</b>	<b>160</b>	<b>101</b>	<b>94</b>	<b>68</b>	<b>139</b>	<b>84</b>	<b>104</b>	<b>97</b>
Loans and advances	9,697	9,023	107	9,697	9,272	105	9,086	9,072	9,023
Deposits and other debt	10,407	9,180	113	10,407	10,306	101	10,007	9,359	9,180
Mortgage credit	2,909	2,585	113	2,909	2,906	100	2,741	2,579	2,585
Operating costs/income, %	52	49		48	57		60	53	52
Number of FTE, end of period	171	178	96	171	174	98	177	175	178

## Personal Banking

The Personal Banking segment reported operating income of DKK 72m in Q2 2025, DKK 11m higher than in Q1 2025. Net interest income was DKK 41m in Q2 2025, an increase of DKK 4m compared to the previous quarter primarily due to lower funding costs and interest on deposits. Net fee and commission income was flat at DKK 18m in Q2 2025. Other operating income amounted to DKK 13m in Q2 2025, more than double the amount seen in Q1 due to one-off income from the sale of a domicile property and the Bank's IT-platform provider SDC as well one-off income from the Bank's ownership of sector companies.

Operating costs were DKK 51m in Q2 2025, a decrease of DKK 1m relative to Q1 2025. Impairment charges amounted to a reversal of DKK 1m in Q2 2025 compared to impairments of DKK 3m in Q1 2025. The Bank remains of the opinion that customers in the personal banking segment continue to be robust. Declining market rates and rising real income levels are expected to continue to strengthen customers' resilience further. The resulting operating profit for Q2 2025 was DKK 23m, an increase of DKK 16m over the previous quarter.

Investment portfolio earnings posted to the Personal Banking segment amounted to DKK 15m in the second quarter of 2025 compared to DKK 13m in Q1 2025.

Profit before tax thus amounted to DKK 38m in Q2 2025, a significant increase on the DKK 20m reported in Q1 2025.

Profit before tax for H1 2025 was DKK 58m, which is DKK 12m lower than during the same period in 2024. The difference is mainly due to lower net interest income and slightly higher impairment charges in 2025 to date. However, the Bank is satisfied with the noticeable improvement seen in core operations in the Personal Banking segment in the second quarter of 2025.

Loans and advances to personal customers increased by DKK 69m to DKK 4,487m at the end of Q2 2025, while brokered mortgage credit increased DKK 11m to DKK 2,181m, both compared to 31 March 2025. Deposits held by personal customers increased by DKK 215m during the quarter to DKK 6,720m on 30 June 2025.

### Adjusted Income statement, Personal banking

DKKm	H1 2025	H1 2024	Index	Q2 2025	Q1 2025	Index	Q4 2024	Q3 2024	Q2 2024
Net interest income	79	96	82	41	37	111	40	46	47
Net fee and commission income	36	34	106	18	18	99	18	17	16
Other operating income	19	11	176	13	6	215	6	11	6
<b>Total operating income</b>	<b>134</b>	<b>141</b>	<b>95</b>	<b>72</b>	<b>61</b>	<b>118</b>	<b>64</b>	<b>75</b>	<b>69</b>
Operating costs	103	99	104	51	52	98	55	52	51
<b>Profit before impairment charges</b>	<b>31</b>	<b>42</b>	<b>75</b>	<b>22</b>	<b>10</b>	<b>222</b>	<b>9</b>	<b>23</b>	<b>18</b>
Impairment charges, net	2	-2	106	-1	3	-37	-2	-8	4
<b>Operating profit</b>	<b>30</b>	<b>44</b>	<b>68</b>	<b>23</b>	<b>7</b>	<b>326</b>	<b>10</b>	<b>31</b>	<b>13</b>
Investment portfolio earnings	28	27	106	15	13	112	15	23	17
<b>Profit before tax</b>	<b>58</b>	<b>70</b>	<b>82</b>	<b>38</b>	<b>20</b>	<b>185</b>	<b>26</b>	<b>54</b>	<b>30</b>
Loans and advances	4,487	4,202	107	4,487	4,418	102	4,373	4,298	4,202
Deposits and other debt	6,720	6,161	109	6,720	6,505	103	6,228	6,161	6,161
Mortgage credit	2,181	2,174	100	2,181	2,169	101	2,175	2,160	2,174
Number of FTE, end of period	76	80	95	76	76	99	79	77	80

## Corporate Banking

Corporate Banking activities generated operating income of DKK 57m in Q2 2025, up 15% on the previous quarter. Net interest income increased by DKK 4m to DKK 43m, driven by a sizeable increase in lending volumes. Net fee and commission income was flat at DKK 6m, while other operating income doubled from DKK 4m in Q1 2025 to DKK 8m in Q2 2025 due to one-off income from the sale of a domicile property and the Bank's IT-platform provider SDC as well one-off income from the Bank's ownership of sector companies.

Operating costs were flat at DKK 11m in Q2 2025 compared to Q1 2025. Net impairment charges in Q2 2025 were DKK 3m compared to DKK 2m in Q1 2025. The Bank remains of the view that its corporate client base continues to show solid creditworthiness. Declining market rates are set to strengthen customers' creditworthiness further.

Operating profit for the second quarter of 2025 amounted to DKK 43m, an increase of DKK 7m relative to Q1 2025.

Investment portfolio earnings posted to the Corporate Banking segment in Q2 2025 totalled DKK 13m, DKK 1m higher than in the preceding quarter.

The resulting profit before tax for Q2 2025 was DKK 56m compared to DKK 47m in Q1 2025.

Profit before tax for the first half of 2025 totalled DKK 104m compared to DKK 90m in the first half of 2024. The main reason for the difference is that impairment charges have been lower so far in 2025 than in the first half of 2024. The Bank is also satisfied that core operations have improved despite falling interest margins.

Corporate loans and advances rose by DKK 355m in Q2 2025 to DKK 5,210m at 30 June 2025. Customer deposits fell by DKK 115m during Q2 2025 to DKK 3,687m. Brokered mortgage credit fell by DKK 8m to DKK 728m at 30 June 2025 compared to 31 March 2025.

### Adjusted Income statement, Corporate Banking

DKKm	H1 2025	H1 2024	Index	Q2 2025	Q1 2025	Index	Q4 2024	Q3 2024	Q2 2024
Net interest income	82	86	95	43	39	109	38	40	43
Net fee and commission income	12	11	111	6	6	94	6	5	5
Other operating income	13	7	171	8	4	190	2	-2	3
<b>Total operating income</b>	<b>106</b>	<b>104</b>	<b>102</b>	<b>57</b>	<b>49</b>	<b>115</b>	<b>46</b>	<b>44</b>	<b>51</b>
Operating costs	23	22	104	11	11	96	11	11	11
<b>Profit before impairment charges</b>	<b>84</b>	<b>82</b>	<b>102</b>	<b>46</b>	<b>38</b>	<b>120</b>	<b>35</b>	<b>33</b>	<b>40</b>
Impairment charges, net	5	18	29	3	2	121	-10	2	-11
<b>Operating profit</b>	<b>79</b>	<b>24</b>	<b>322</b>	<b>43</b>	<b>36</b>	<b>120</b>	<b>45</b>	<b>-2</b>	<b>11</b>
Investment portfolio earnings	25	25	101	13	12	115	14	20	16
<b>Profit before tax</b>	<b>104</b>	<b>90</b>	<b>116</b>	<b>56</b>	<b>47</b>	<b>119</b>	<b>58</b>	<b>50</b>	<b>67</b>
Loans and advances	5,210	4,821	108	5,210	4,855	107	4,713	4,774	4,821
Deposits and other debt	3,687	3,019	122	3,687	3,802	97	3,779	3,198	3,019
Mortgage credit	728	411	177	728	736	99	565	419	411
Number of FTE, end of period	13	15	91	13	15	92	15	15	15

## Insurance: Trygd

Trygd reported premium income of DKK 42m in Q2 2025, DKK 2m higher than in Q2 2024. In Q2 2025, claims were DKK 20m, DKK 9m lower than in Q2 2024. Net income from investment activities amounted to DKK 2m in Q2 2025, the same level seen in Q2 2024. As a result, operating income was DKK 23m in Q2 2025, DKK 10m higher than in Q2 2024.

Operating costs were DKK 7m in Q2 2025, DKK 1m lower than in the second quarter of 2024. As a result, Trygd reported a profit before tax for Q2 2025 of DKK 17m compared to a more modest DKK 5m in Q2 2024.

Profit before tax for H1 2025 was DKK 23m, almost trebling the profit before tax of DKK 8m reported in H1 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. 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	H1 2025	H1 2024	Index	Q2 2025	Q1 2025	Index	Q4 2024	Q3 2024	Q2 2024
Premium income, net of reinsurance	82	79	105	42	40	104	38	40	40
Claims, net of reinsurance	47	60	77	20	27	75	32	22	29
<b>Net insurance income</b>	<b>36</b>	<b>18</b>	<b>195</b>	<b>22</b>	<b>14</b>	<b>159</b>	<b>6</b>	<b>18</b>	<b>11</b>
Net income from investment activities	2	6	30	2	0	2976	2	4	2
<b>Operating income</b>	<b>37</b>	<b>24</b>	<b>157</b>	<b>23</b>	<b>14</b>	<b>170</b>	<b>7</b>	<b>21</b>	<b>13</b>
Operating costs	14	15	92	7	7	96	6	7	8
<b>Profit before tax</b>	<b>23</b>	<b>8</b>	<b>275</b>	<b>17</b>	<b>7</b>	<b>250</b>	<b>1</b>	<b>14</b>	<b>5</b>
Combined ratio	77	95		67	87		102	74	93
Claims ratio	57	77		48	66		85	55	73
Number of FTE, end of period	21	23	93	21	23	93	23	23	23

## Income statement

		Group		Føroya Banki	
		H1	H1	H1	H1
Note	DKK 1,000	2025	2024	2025	2024
3	Interest income calculated using the effective interest method	258,991	289,377	281,219	316,856
3	Other interest income	22,227	27,479		
4	Interest expenses	81,861	89,233	81,861	89,233
	<b>Net interest income</b>	<b>199,358</b>	<b>227,623</b>	<b>199,358</b>	<b>227,623</b>
	Dividends from shares and other investments	14,407	11,997	14,407	11,997
5	Fee and commission income	44,935	42,625	50,644	48,082
5	Fee and commissions paid	3,133	3,742	3,133	3,742
	<b>Net dividend, fee and commission income</b>	<b>56,209</b>	<b>50,880</b>	<b>61,919</b>	<b>56,337</b>
	<b>Net interest and fee income</b>	<b>255,567</b>	<b>278,502</b>	<b>261,277</b>	<b>283,959</b>
	Insurance revenue	99,972	97,295		
	Insurance service expenses	64,700	78,706		
	Net return on investments backing insurance liabilities	1,296	5,318		
	Net finance income or expense from insurance	348	1,184		
	Other expenses	2,899	3,257		
	<b>Net insurance result</b>	<b>34,017</b>	<b>21,834</b>	<b>0</b>	<b>0</b>
	<b>Interest and fee income and income from insurance activities, net</b>	<b>289,584</b>	<b>300,336</b>	<b>261,277</b>	<b>283,959</b>
6	Market value adjustments	23,154	6,845	23,154	6,845
7	Other operating income	9,586	4,714	4,706	1,029
8	Staff costs and administrative expenses	125,342	119,964	120,881	115,557
	Amortisation, depreciation and impairment charges	4,296	4,300	4,156	4,129
	Other operating expenses	42	842	42	842
9	Impairment charges on loans and advances etc.	6,871	15,946	6,871	15,946
	Income from investments accounted for under the equity method	4,404	4,609	27,833	17,306
	<b>Profit before tax</b>	<b>190,178</b>	<b>175,452</b>	<b>185,020</b>	<b>172,665</b>
	Tax	36,182	33,414	31,024	30,627
	<b>Net profit</b>	<b>153,996</b>	<b>142,038</b>	<b>153,996</b>	<b>142,038</b>
	Portion attributable to				
	Shareholders of Føroya Banki P/F	153,996	138,559	153,996	138,559
	Owners of additional Tier 1 capital	0	3,479	0	3,479
	<b>Net profit</b>	<b>153,996</b>	<b>142,038</b>	<b>153,996</b>	<b>142,038</b>
	EPS Basic for the period, DKK*	16.09	14.84	16.09	14.84
	EPS Diluted for the period, DKK*	16.09	14.84	16.09	14.84

\*Based on average number of shares outstanding.

**Statement of comprehensive income - Føroya Banki**

	Group		Føroya Banki	
	H1 2025	H1 2024	H1 2025	H1 2024
<b>DKK 1,000</b>				
Net profit	153,996	142,038	153,996	142,038
<b>Other comprehensive income</b>				
Total other comprehensive income	0	0	0	0
<b>Total comprehensive income</b>	<b>153,996</b>	<b>142,038</b>	<b>153,996</b>	<b>142,038</b>

**Balance Sheet**

Note	DKK 1,000	Group		Føroya Banki	
		June 30	Dec. 31	June 30	Dec. 31
		2025	2024	2025	2024
	<b>Assets</b>				
	Cash in hand and demand deposits with central banks	2,420,032	2,696,305	2,405,879	2,695,918
10	Amounts due from credit institutions and central banks	359,322	310,797	359,322	310,797
9	Loans and advances at fair value	316,372	319,297	318,372	319,297
9	Loans and advances at amortised cost	9,378,391	8,767,094	9,378,391	8,767,094
	Bonds at fair value	1,496,232	1,757,200	1,317,526	1,559,697
	Shares, etc.	326,557	285,845	198,354	188,358
	Assets under insurance contracts	6,976	4,786	0	0
	Holdings in associates	21,216	18,563	21,216	18,563
	Holdings in subsidiaries	0	0	158,863	145,434
	Assets under pooled schemes and unit-linked investment contracts	72,424	61,610	68,881	58,055
	Intangible assets	4,834	5,084	775	1,084
	Total land and buildings	108,423	111,810	108,423	111,810
	Domicile property	53,118	54,377	53,118	54,377
	Domicile property (lease asset)	55,305	57,432	55,305	57,432
	Other property, plant and equipment	14,693	15,008	13,023	13,067
	Current tax assets	15,113	21,818	15,113	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	77,655	88,408	74,179	89,312
	Prepayments	5,069	34,561	3,328	32,781
	<b>Total assets</b>	<b>14,636,771</b>	<b>14,511,644</b>	<b>14,455,025</b>	<b>14,346,463</b>

**Balance Sheet**

Note	Group		Føroya Banki	
	June 30	Dec. 31	June 30	Dec. 31
	2025	2024	2025	2024
<b>Shareholders' equity and liabilities</b>				
<b>Liabilities other than provisions</b>				
Amounts due to credit institutions and central banks	815,064	823,455	815,064	823,455
Deposits and other debt	10,382,526	10,003,348	10,406,397	10,014,704
Deposits under pooled schemes and unit-linked investments contracts	72,424	61,610	68,881	58,055
Issued bonds at amortised cost	898,966	981,190	898,966	981,190
Liabilities under insurance contracts	183,140	158,485	0	0
Current tax liabilities	109,889	73,613	98,794	67,770
Other liabilities	186,567	226,573	179,239	220,192
Deferred income	1,869	3,927	1,771	2,162
<b>Total liabilities other than provisions</b>	<b>12,650,444</b>	<b>12,332,200</b>	<b>12,469,112</b>	<b>12,167,528</b>
<b>Provisions for liabilities</b>				
Provisions for deferred tax	413	508	0	0
Provisions for losses on guarantees etc	3,115	1,263	3,115	1,263
Provisions for other liabilities	1,947	1,846	1,947	1,846
<b>Total provisions for liabilities</b>	<b>5,475</b>	<b>3,617</b>	<b>5,062</b>	<b>3,109</b>
<b>Subordinated debt</b>				
Subordinated debt	99,860	99,790	99,860	99,790
<b>Total liabilities</b>	<b>12,755,780</b>	<b>12,435,607</b>	<b>12,574,034</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	1,682,274	1,527,319	1,682,274	1,527,319
Proposed dividends	0	350,000	0	350,000
<b>Total equity</b>	<b>1,880,992</b>	<b>2,076,037</b>	<b>1,880,992</b>	<b>2,076,037</b>
<b>Total liabilities and equity</b>	<b>14,636,771</b>	<b>14,511,644</b>	<b>14,455,025</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	0	2,076,037
Net profit			0	153,996	153,996	0	0	153,996
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>153,996</b>	<b>153,996</b>		<b>0</b>	<b>153,996</b>
Dividends paid			-350,000	958	-349,042			-349,042
<b>Shareholders' equity at June 30, 2025</b>	<b>192,000</b>	<b>6,718</b>	<b>0</b>	<b>1,682,274</b>	<b>1,880,992</b>		<b>0</b>	<b>1,880,992</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	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	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	-6,750
Redemption of additional tier 1 capital				0	0	-150,000	-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	151,532	2,002,141
Net profit				138,559	138,559	3,479	3,479	142,038
<b>Total comprehensive income</b>				<b>138,559</b>	<b>138,559</b>		<b>3,479</b>	<b>142,038</b>
Dividends paid			-80,000	219	-79,781			-79,781
<b>Shareholders' equity at June 30, 2024</b>	<b>192,000</b>	<b>7,948</b>	<b>0</b>	<b>1,709,440</b>	<b>1,909,388</b>		<b>155,011</b>	<b>2,064,398</b>

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

	Shareholders equity						
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	Additional tier 1 capital	Total
<b>DKK 1,000</b>							
Shareholders' equity at January 1, 2025	192,000	6,718	350,000	1,527,319	2,076,037	0	2,076,037
Net profit				153,996	153,996	0	153,996
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>153,996</b>	<b>153,996</b>	<b>0</b>	<b>153,996</b>
Dividends paid			-350,000	958	-349,042		-349,042
<b>Shareholders' equity at June 30, 2025</b>	<b>192,000</b>	<b>6,718</b>	<b>0</b>	<b>1,682,274</b>	<b>1,880,992</b>	<b>0</b>	<b>1,880,992</b>

	Shareholders equity						
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	Additional tier 1 capital	Total
<b>DKK 1,000</b>							
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>

	Shareholders equity						
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	Additional tier 1 capital	Total
<b>DKK 1,000</b>							
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				138,559	138,559	3,479	142,038
<b>Total comprehensive income</b>				<b>138,559</b>	<b>138,559</b>	<b>3,479</b>	<b>142,038</b>
Dividends paid			-80,000	219	-79,781		-79,781
<b>Shareholders' equity at June 30, 2024</b>	<b>192,000</b>	<b>7,948</b>	<b>0</b>	<b>1,709,440</b>	<b>1,909,388</b>	<b>155,011</b>	<b>2,064,398</b>

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

Solvency DKK 1,000	June 30 2025	Dec. 31 2024
Tier 1 capital	1,709,333	1,712,027
Total capital	1,809,193	1,811,817
Risk-weighted items not included in the trading portfolio	6,299,516	5,835,110
Risk-weighted items with market risk etc.	291,740	391,442
Risk-weighted items with operational risk	953,926	953,926
<b>Total risk-weighted items</b>	<b>7,545,183</b>	<b>7,180,478</b>
<b>CET 1 capital ratio</b>	<b>22.7%</b>	<b>23.8%</b>
<b>Tier 1 capital ratio</b>	<b>22.7%</b>	<b>23.8%</b>
<b>Total capital ratio</b>	<b>24.0%</b>	<b>25.2%</b>
<b>Total capital, incl. MREL capital, ratio</b>	<b>35.9%</b>	<b>36.3%</b>
<b>Shareholders' equity</b>		
Share capital	192,000	192,000
Reserves	6,718	6,718
Net profit	153,996	310,427
Retained earnings, previous years	1,533,220	1,571,152
<b>Shareholders' equity, before deduction of holdings of own shares</b>	<b>1,885,934</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	153,996	0
Deduction of holdings of own shares	4,942	4,259
Deduction of MLC regarding Non Performing Exposures	4,195	0
Deduction of intangible assets	775	1,084
Deduction of deferred tax assets	11,172	11,172
Deduction regarding prudent valuation of financial instruments	1,520	1,754
<b>CET 1 capital</b>	<b>1,709,333</b>	<b>1,712,027</b>
Additional Tier 1 capital	0	0
<b>Tier 1 capital</b>	<b>1,709,333</b>	<b>1,712,027</b>
<b>Total capital</b>		
Tier 1 capital	1,709,333	1,712,027
Subordinated loan capital	99,860	99,790
<b>Total capital</b>	<b>1,809,193</b>	<b>1,811,817</b>
MREL capital	902,260	791,227
<b>Total capital, incl. MREL capital</b>	<b>2,711,454</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**

	Group H1 2025	Group Full year 2024
<b>DKK 1,000</b>		
<b>Cash flow from operations</b>		
Profit before tax	190,178	382,475
Amortisation and impairment charges for intangible assets	309	618
Depreciation and impairment charges of tangible assets	4,606	9,741
Impairment of loans and advances/guarantees	7,460	1,077
Paid tax	0	-78,956
Other non-cash operating items	-46,201	-62,528
<b>Total</b>	<b>156,351</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	-618,757	-233,816
Change in holding of bonds	282,172	-320,115
Change in holding of shares	-31,361	7,076
Change in deposits	381,307	1,301,156
Due to credit institutions and central banks	20,180	-138,507
Change in other assets / liabilities	-16,604	41,599
Assets/liabilities under insurance contracts	22,465	15,678
Prepayments	27,434	-18,178
<b>Cash flow from operations</b>	<b>223,186</b>	<b>943,985</b>
<b>Cash flow from investing activities</b>		
Dividends received	16,158	11,997
Acquisition of intangible assets	-559	-5,000
Acquisition of tangible assets	-1,833	-7,211
Sale of tangible assets	5,041	6,654
<b>Cash flow from investing activities</b>	<b>18,808</b>	<b>6,439</b>
<b>Cash flow from financing activities</b>		
Change in loans from central banks and credit institutions	-28,571	242,857
Issued bonds at amortised cost	250,000	0
Redemption of issued bonds at amortised cost	-340,000	-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	-2,128	-5,417
<b>Cash flow from financing activities</b>	<b>-469,740</b>	<b>909</b>
<b>Cash flow</b>	<b>-227,747</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	-227,747	951,333
<b>Cash and due etc.</b>	<b>2,779,354</b>	<b>3,007,102</b>
<b>Cash and due etc.</b>		
Cash in hand and demand deposits with central banks	2,420,032	2,696,305
Due from credit institutions, etc.	359,322	310,797
<b>Total</b>	<b>2,779,354</b>	<b>3,007,102</b>

## Notes to the financial statements

### Note 1 Significant accounting policies

The consolidated financial statements for the first six 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.

## Notes - Føroya Banki Group

Note	Operating segments H1 2025	Banking			Non-life Insurance	Elimination	Group
		Personal	Corporate	Other	Faroe Islands		Total
2	DKK 1,000						
	External interest income, Net	84,028	105,908	9,422	199,358	0	199,358
	Internal interest	14,378	-14,378	0	0		0
	Net interest income	98,406	91,530	9,422	199,358	0	199,358
	Net dividends and fee income	48,080	13,813	26	61,919	0	56,209
	Net insurance result	0	0	3,700	3,700	23,089	34,017
	Other income	94	6,012	31,546	37,652	0	37,145
	Total income	146,580	111,354	44,694	302,628	23,089	326,729
	Total operating expenses	37,813	10,497	80,359	128,669	0	129,681
	of which depreciation and amortisation	431	0	3,865	4,296	0	4,296
	Profit before impairment charges on loans	108,767	100,858	-35,665	173,959	23,089	197,048
	Impairment charges	1,786	5,367	-283	6,871	0	6,871
	Profit before tax	106,980	95,491	-35,383	167,088	23,089	190,178
	Total assets	5,209,957	4,486,807	4,626,862	14,323,626	313,146	14,636,771
	of which Loans and advances	4,486,807	5,209,957		9,696,764		9,696,764
	Total liabilities	6,719,761	3,686,636	2,153,517	12,559,914	195,865	12,755,780
	of which Deposits	6,719,761	3,686,636		10,406,397	-23,871	10,382,526
	of which Insurance liabilities			2,390	180,750		183,140

Operating segments H1 2024	Banking			Non-life Insurance		Elimination	Group
	DKK 1,000	Personal	Corporate	Other	Total		
External interest income, Net	75,780	105,797	46,057	227,634	0		227,634
Internal interest	32,136	-31,841	-295	0			0
Net interest income	107,916	73,956	45,751	227,623	0		227,623
Net dividends and fee income	45,844	10,412	80	56,337	0	-5,457	50,880
Net insurance result	0	0	6,560	6,560	8,393	6,881	21,834
Other income	11,449	5,049	177	16,675	0	-507	16,168
Total income	165,209	89,418	52,568	307,194	8,393	917	316,503
Total operating expenses	39,032	10,317	74,463	123,812	0	1,293	125,105
of which depreciation and amortisation	3,940	602	-243	4,300	0		4,300
Profit before impairment charges on loans	126,177	79,100	-21,895	183,383	8,393	-376	191,399
Impairment charges	-194	17,562	-1,422	15,946	0		15,946
Profit before tax	126,371	61,538	-20,473	167,436	8,393	-376	175,452
Total assets	4,106,745	4,968,053	4,143,112	13,217,910	273,970		13,491,880
of which Loans and advances	4,200,736	4,822,008		9,022,744			9,022,744
Total liabilities	6,161,669	3,020,020	2,057,887	11,239,576	187,906		11,427,482
of which Deposits	6,161,669	3,020,020		9,181,689		-8,321	9,173,368
of which Insurance liabilities			3,135		173,751		176,885

**Føroya Banki Group - Geographical revenue information**

Note 2 DKK 1,000 (cont'd) <b>Geographical segments</b>	Total income		Non current assets		Additions to tangible assets		Additions to intangible assets	
	H1 2025	H1 2024	H1 2025	H1 2024	H1 2025	H1 2024	H1 2025	H1 2024
Faroe Islands	294,595	275,104	113,972	122,696	-183	4,277	3,750	3,291
Greenland	32,134	41,399	35,194	37,165	638	33	0	0
<b>Total</b>	<b>326,729</b>	<b>316,503</b>	<b>149,166</b>	<b>159,861</b>	<b>456</b>	<b>4,310</b>	<b>3,750</b>	<b>3,291</b>

<b>Geographical segments</b>	Impairments		Investment portfolio earnings	
	H1 2025	H1 2024	H1 2025	H1 2024
Faroe Islands	6,077	-17,661	27,558	11,454
Greenland	793	33,608	0	0
<b>Total</b>	<b>6,871</b>	<b>15,946</b>	<b>27,558</b>	<b>11,454</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.

<b>Operational segments</b>	Total income		Profit before tax		Tax		FTE	
	H1 2025	H1 2024	H1 2025	H1 2024	H1 2025	H1 2024	H1 2025	H1 2024
Faroe Islands, Banking, Other	260,578	253,270	133,123	148,414	25,973	30,524	161	167
Faroe Islands, Insurance	34,017	21,834	34,017	21,834	4,168	1,511	21	23
Greenland, Banking	32,134	41,399	23,037	5,205	6,040	1,379	17	19
<b>Total</b>	<b>326,729</b>	<b>316,503</b>	<b>190,178</b>	<b>175,452</b>	<b>36,182</b>	<b>33,414</b>	<b>199</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.

## Notes

Note	DKK 1,000	Group		Føroya Banki	
		H1	H1	H1	H1
		2025	2024	2025	2024
3	<b>Interest income</b>				
	Credit institutions and central banks	22,227	38,228	22,227	38,228
	Loans and advances (incl. other interest income)	237,586	262,240	237,586	262,240
	Bonds	8,445	5,433	8,445	5,433
	Total derivatives of w hich:	6,748	8,161	6,748	8,161
	<i>Currency contracts</i>	-24	1	-24	1
	<i>Interest rate contracts</i>	6,772	8,160	6,772	8,160
	Other interest income	6,213	2,794	6,213	2,794
	<b>Total interest income</b>	<b>281,219</b>	<b>316,856</b>	<b>281,219</b>	<b>316,856</b>
4	<b>Interest expenses</b>				
	Credit institutions and central banks	12,982	14,377	12,982	14,377
	Deposits	45,629	45,347	45,629	45,347
	Issued bonds	19,905	27,959	19,905	27,959
	Subordinated debt	2,449	2,464	2,449	2,464
	Lease liabilities	986	1,033	986	1,033
	Other interest expenses	-90	-1,947	-90	-1,947
	<b>Total interest expenses</b>	<b>81,861</b>	<b>89,233</b>	<b>81,861</b>	<b>89,233</b>
5	<b>Net fee and commission income</b>				
	Fee and commission income				
	Securities trading and custody accounts	8,239	7,086	8,239	7,086
	Credit transfers	10,974	10,459	10,974	10,459
	Loan commissions	2,063	2,260	2,063	2,260
	Guarantee commissions	11,463	10,884	11,463	10,884
	Other fees and commissions	12,194	11,935	17,904	17,393
	<b>Total fee and commission income</b>	<b>44,935</b>	<b>42,625</b>	<b>50,644</b>	<b>48,082</b>
	Fee and commissions paid				
	Securities trading and custody accounts	3,133	3,742	3,133	3,742
	<b>Net fee and commission income</b>	<b>41,801</b>	<b>38,883</b>	<b>47,511</b>	<b>44,340</b>
6	<b>Market value adjustments</b>				
	Loans and advances	-925	-2,962	-925	-2,962
	Bonds	12,810	4,566	12,810	4,566
	Shares	7,324	-384	7,324	-384
	Foreign exchange	4,928	6,010	4,928	6,010
	Total derivatives of w hich:	-982	-384	-982	-384
	<i>Currency Swaps</i>	6,341	-28	6,341	-28
	<i>Interest Swaps</i>	-1,971	-526	-1,971	-526
	<i>Other contracts</i>	-5,352	170	-5,352	170
	Assets under pooled schemes	-497	4,371	-497	4,371
	Deposits in pooled schemes	497	-4,371	497	-4,371
	<b>Total market value adjustments</b>	<b>23,154</b>	<b>6,845</b>	<b>23,154</b>	<b>6,845</b>



Note DKK 1,000

		Group		Føroya Banki	
		H1	H1	H1	H1
		2025	2024	2025	2024
7	<b>Other operating income</b>				
	Profit on sale of properties	3,702	67	3,702	67
	Other income	5,884	4,647	1,004	962
	<b>Total other operating income</b>	<b>9,586</b>	<b>4,714</b>	<b>4,706</b>	<b>1,029</b>
8	<b>Staff costs and administrative expenses</b>				
	Staff costs:				
	Salaries	63,168	60,190	54,370	51,653
	Pensions	9,186	8,933	8,010	7,798
	Social security expenses	9,524	9,285	8,459	8,294
	<b>Total staff costs</b>	<b>81,878</b>	<b>78,408</b>	<b>70,839</b>	<b>67,745</b>
	Administrative expenses:				
	IT	33,489	31,082	31,585	27,769
	Marketing etc	4,813	6,852	4,208	6,053
	Education etc	1,611	1,544	1,267	1,327
	Other expenses	17,875	18,078	12,982	12,664
	<b>Total administrative expenses</b>	<b>57,788</b>	<b>57,556</b>	<b>50,042</b>	<b>47,812</b>
	Total staff costs	81,878	78,408	70,839	67,745
	Total administrative expenses	57,788	57,556	50,042	47,812
	Staff and administrative costs incl. under the item "Insurance service expenses"	-14,324	-16,000	0	0
	<b>Total staff costs and administrative expenses</b>	<b>125,342</b>	<b>119,964</b>	<b>120,881</b>	<b>115,557</b>
	<b>Number of employees</b>				
	Average number of full-time employees in the period	205	208	175	177
	<b>Executive remuneration:</b>				
	Board of Directors	1,170	1,080	1,170	1,080
	Executive Board:				
	Salaries	1,504	1,345	1,504	1,345
	- less fees received from directorships	180	236	180	236
	The Bank's expense, salaries	1,324	1,110	1,324	1,110
	Pension	225	201	225	201
	<b>Total executive board</b>	<b>1,549</b>	<b>1,311</b>	<b>1,549</b>	<b>1,311</b>
	<b>Total executive remuneration</b>	<b>2,719</b>	<b>2,391</b>	<b>2,719</b>	<b>2,391</b>

Note DKK 1.000

	Group		Føroya Banki	
	H1 2025	H1 2024	H1 2025	H1 2024
<b>9 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	95,365	91,452	95,365	91,452
Reversals of impairment charges and provisions	85,822	71,958	85,822	71,958
Written-off, previously impaired	590	1,078	590	1,078
<i>Interest income on impaired loans</i>	<i>1,875</i>	<i>1,904</i>	<i>1,875</i>	<i>1,904</i>
<b>Total impairment charges and provisions at 30 June 2025</b>	<b>188,835</b>	<b>200,763</b>	<b>188,835</b>	<b>200,763</b>
<b>Impairment charges and provisions recognised in the income statement</b>				
Loans and advances at amortised cost	8,283	11,489	8,283	11,489
Loans and advances at fair value	-2,972	2,831	-2,972	2,831
Guarantees and loan commitments	1,560	1,627	1,560	1,627
<b>Total individual impairment charges and provisions</b>	<b>6,871</b>	<b>15,946</b>	<b>6,871</b>	<b>15,946</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	46,478	36,182	46,478	36,182
Reversals, net of Stage 1 impairment charges	54,745	41,249	54,745	41,249
<b>Stage 1 impairment charges at 30 June 2025</b>	<b>70,705</b>	<b>71,151</b>	<b>70,705</b>	<b>71,151</b>
<i>Total net impact recognised in the income statement</i>	<i>-8,267</i>	<i>-5,068</i>	<i>-8,267</i>	<i>-5,068</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	30,439	16,223	30,439	16,223
Reversals, net of impairment charges	20,644	20,032	20,644	20,032
<b>Stage 2 impairment charges at 30 June 2025</b>	<b>42,365</b>	<b>34,387</b>	<b>42,365</b>	<b>34,387</b>
<i>Total net impact recognised in the income statement</i>	<i>9,794</i>	<i>-3,809</i>	<i>9,794</i>	<i>-3,809</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	2,547	2,415	2,547	2,415
Reversals, net of impairment charges	2,892	4,979	2,892	4,979
<b>Weak Stage 2 impairment charges at 30 June 2025</b>	<b>5,986</b>	<b>4,714</b>	<b>5,986</b>	<b>4,714</b>
<i>Total net impact recognised in the income statement</i>	<i>-345</i>	<i>-2,564</i>	<i>-345</i>	<i>-2,564</i>

## Note 9

(cont'd)

DKK 1.000	Group		Føroya Banki	
	H1 2025	H1 2024	H1 2025	H1 2024
<b>Stage 3 impairment charges</b>				
Stage 3 impairment charges etc. at 31 December 2024	60,452	56,450	60,452	56,450
New and increased impairment charges	11,585	31,982	11,585	31,982
Reversals of impairment charges	4,784	2,674	4,784	2,674
Written-off, previously impaired	590	1,078	590	1,078
Write-offs charged directly to the income statement	146	203	146	203
Received on claims previously written off	944	1,846	944	1,846
Interest income on impaired loans	1,875	1,904	1,875	1,904
<b>Stage 3 impairment charges at 30 June 2025</b>	<b>66,664</b>	<b>84,680</b>	<b>66,664</b>	<b>84,680</b>
Total net impact recognised in the income statement	4,129	25,761	4,129	25,761
<b>Purchased credit-impaired assets included in stage 3 above</b>				
Purchased credit-impaired assets at 31 December 2024	1,096	1,341	1,096	1,341
Reversals of impairment charges	122	158	122	158
<b>Purchased credit-impaired assets at 30 June 2025</b>	<b>974</b>	<b>1,183</b>	<b>974</b>	<b>1,183</b>
Reclassified to Assets in disposal groups classified as held for sale				
<b>Provisions for guarantees and undrawn credit lines</b>				
Individual provisions at 31 December 2024	1,555	4,204	1,555	4,204
New and increased provisions	4,316	4,651	4,316	4,651
Reversals of provisions	2,756	3,024	2,756	3,024
<b>Provisions for guarantees etc at 30 June 2025</b>	<b>3,115</b>	<b>5,831</b>	<b>3,115</b>	<b>5,831</b>
Total net impact recognised in the income statement	1,560	1,627	1,560	1,627
<b>Provisions for guarantees and undrawn credit lines</b>				
Stage 1 provisions	586	709	586	709
Stage 2 provisions	2,218	376	2,218	376
Stage 3 provisions	311	4,746	311	4,746
<b>Provisions for guarantees etc at 30 June 2025</b>	<b>3,115</b>	<b>5,831</b>	<b>3,115</b>	<b>5,831</b>
<b>DKK 1,000</b>				
	Group		Føroya Banki	
	June 30 2025	Dec. 31 2024	June 30 2025	Dec. 31 2024
10 <b>Due from credit institutions etc. specified by maturity</b>				
On demand	359,322	310,797	359,322	310,797
<b>Total due from credit institutions etc.</b>	<b>359,322</b>	<b>310,797</b>	<b>359,322</b>	<b>310,797</b>
11 <b>Contingent liabilities</b>				
<b>Guarantees</b>				
Financial guarantees	207,958	177,076	207,958	177,076
Mortgage finance guarantees	328,581	317,108	328,581	317,108
Registration and remortgaging guarantees	49,432	44,175	80,638	74,890
Other guarantees	65,733	67,381	200,756	206,247
<b>Total guarantees</b>	<b>651,704</b>	<b>605,741</b>	<b>817,933</b>	<b>775,321</b>
12 <b>Assets deposited as collateral</b>				
At June 30 2025 the Group had deposited cash amounting to DKK 31.9m (Dec. 31 2024: 27.0m) 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 15.0m (Dec. 31 2025: DKK 20.7m) in connection with negative market value of derivatives.				
13 <b>Contingent liability</b>				
The bank has entered in a tax dispute with the Danish tax-authorities regarding the sale of the banks danish activities in 2021. At present the contingent liability could have a negative effect on the Groups equity of up to approx. DKK 25m.				

## 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 six months to 30 June 2025.

The consolidated financial statements for the first six months to 30 June 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 30 June 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 six months ended 30 June 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, 5 August 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. Samuelsen

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

**Arnhold Olsen**  
E-mail: [ao@bankin.fo](mailto:ao@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