

Satisfactory results for Q3 2025

Turið F. Arge, CEO
4 November 2025

Føroya Banki

Overview

- Føroya Banki at a glance
- Financials
 - Operating income
 - Insurance
 - Costs
 - Impairment charges
 - Capital ratios
- The Faroese and Greenlandic economy
- Summary Q3 2025
- Appendices



Føroya Banki

Føroya Banki at a glance

- Full-service banking institution with headquarters in the Faroe Islands:
 - 5 branches in the Faroe Islands
 - 1 branch in Greenland
- Føroya Banki operates two active subsidiaries in the Faroe Islands:
 - Trygd (non-life insurance)
 - Skyn (real estate broker)
- Moody's A2 long-term deposit and issuer rating of the bank was reaffirmed in 2025, albeit with a negative outlook.
- The Group has a total of approximately 200 full-time employees.
- While maintaining a leading position in the Faroe Islands, Føroya Banki is a challenger in Greenland. Furthermore, the Group sees growth potential in the Faroese insurance market.

Presence in the North Atlantic region

Faroe Islands

Loans: DKK 8,490m

Deposits: DKK 9,238m

Market share: ~40%

Greenland

Loans: DKK 1,110m

Deposits: DKK 1,597m

Market share: ~20%

Group figures

Loans: DKK 9,600m

Deposits: DKK 10,835m

Net interest and fee income
2024: DKK 421m

Gross premiums 2024: DKK 176m

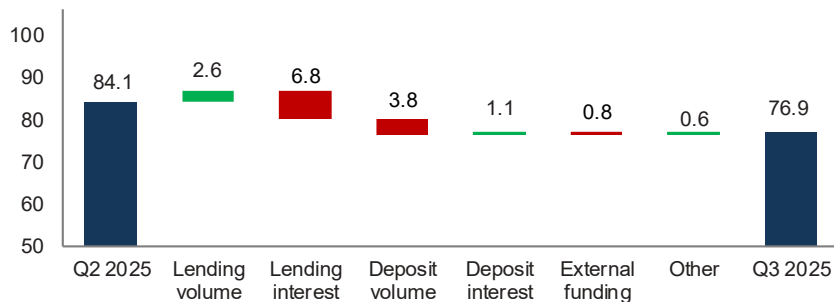
Føroya Banki

Good performance

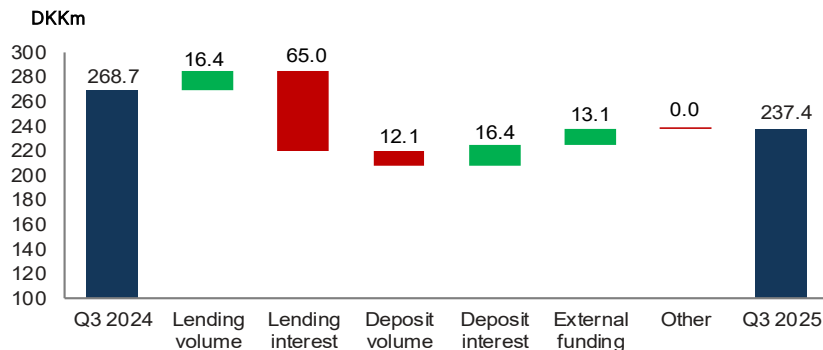
- Satisfactory performance in Q3 despite a decline in earnings compared to the extraordinarily good result in Q2.
- Decrease in net interest rates due to declining interest rates and an increase in interest expenses for external funding.
- Solid insurance results with few large claims.
- The significant decrease in other operating income is attributable to one-off factors in Q2.
- Increase in deposit volumes and a slight decline in lending volumes compared to the previous quarter.
- Reversal of impairment charges.
- Net profit guidance for 2025 remains unchanged: DKK 235-265m.

Profit & Loss							
<i>DKKm</i>	9M 2025	9M 2024	<i>Index</i>	Q3 2025	Q2 2025	<i>Index</i>	
Net interest income	237	269	88	77	84	91	
Net fee and commission income	60	54	111	21	19	110	
Net insurance income	56	46	122	14	27	53	
Other operating income	48	32	151	11	24	44	
Operating income	402	401	100	123	154	80	
Operating costs	210	202	104	73	68	107	
Profit before impairment charges	192	200	96	50	86	58	
Net impairment charges on loans	-2	10	-16	-9	2	-483	
Operating profit	194	189	102	58	84	69	
Investment portfolio earnings	77	106	73	22	30	73	
Profit before tax	271	295	92	80	115	70	
Tax	53	57	93	17	21	78	
Net profit	218	238	91	64	93	68	
Key Metrics							
<i>DKKbn</i>	Target 2026	9M 2025	9M 2024	<i>Index</i>	Q3 2025	Q2 2025	<i>Index</i>
Loans and advances		9.6	9.1	106	9.6	9.7	99
Deposits and other debt		10.8	9.4	116	10.8	10.4	104
Mortgage credit		2.8	2.6	108	2.8	2.9	96
Operating cost / income, %	< 53.0	52.2	50.3		59.4	44.1	
CET1 capital ratio, %	23.0	23.1	25.1		23.1	22.7	
RoE after tax, %	> 12.0	14.4	16.5		14.4	15.6	

QoQ changes in net interest income
DKKm



YoY changes in net interest income
DKKm



Loans and deposits
DKKbn



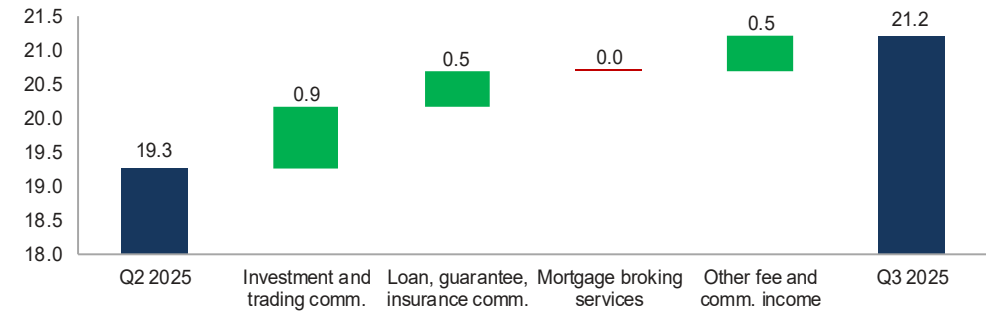
Interest rates decreasing

- Net interest income down by DKK 7.2m QoQ, and down by DKK 31.3m YoY, primarily due to:
 - Lower interest rates and an increase in deposit volumes reducing interest income.
- The full impact of the most recent decrease in interest rates is expected to materialise over the course of the coming quarter. It is expected to improve customers' credit quality even further.
- Overall a satisfactory development in lending and deposit volumes, despite a slight decline in lending volumes QoQ:
 - Lending volumes down by 1% QoQ and up by 6% YoY.
 - Deposit volumes up by 4% QoQ and by 16% YoY.
- Sound balance between deposits and lending, leading to a favourable position for pursuing our strategic plans towards 2026.

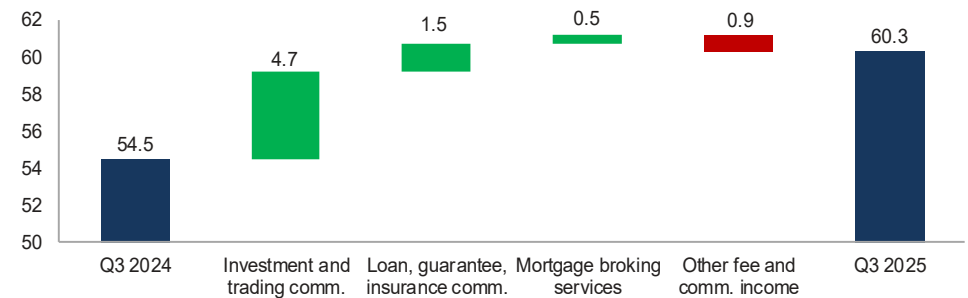
Increased activity in the investment sector

- Fee and commission income up by DKK 1.9m QoQ and up by DKK 5.8m YoY.
 - Especially increased activity from investment and trading commission.
- Mortgage-broking services down by 4% QoQ and up by 8% YoY:
 - Overall, there has been a steady demand for mortgage loans. The fluctuation during the quarter can be attributed to a single corporate customer.
 - We expect a further increase in demand for mortgage-broking services in 2025, as the level of interest rates has fallen.

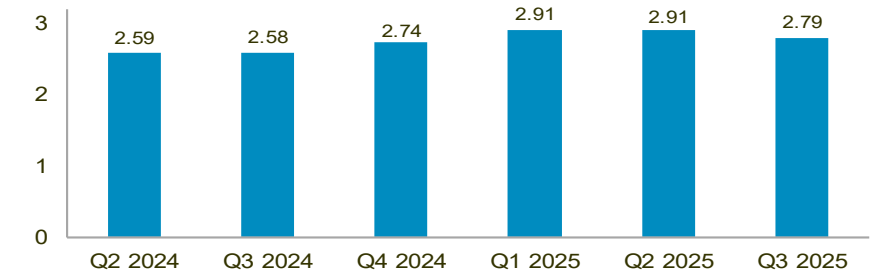
QoQ changes in fee and commission income
DKKm



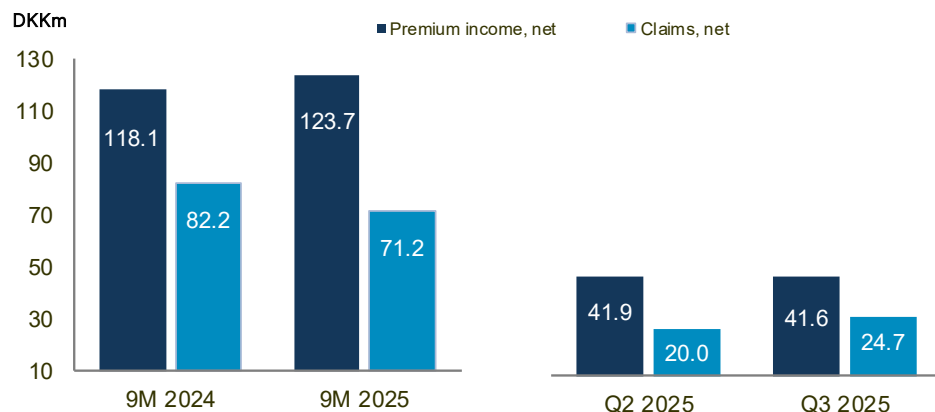
YoY changes in fee and commission income
DKKm



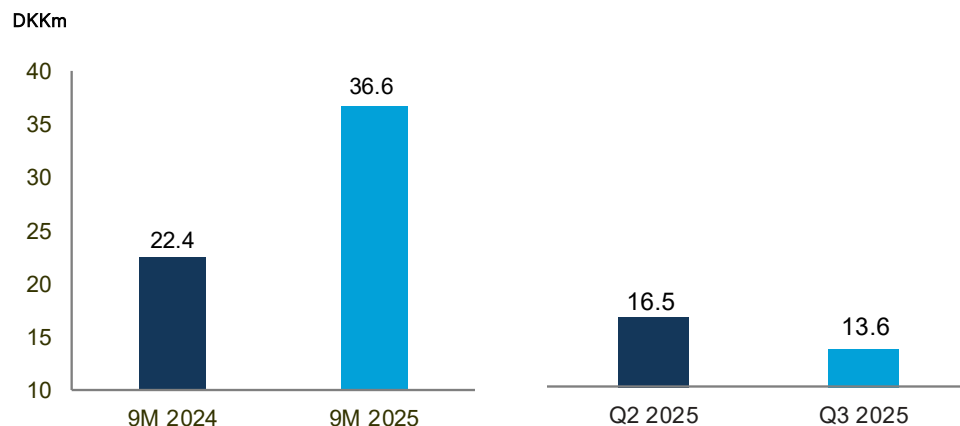
Mortgage-broking services
DKKbn



Premiums and claims



Profit before tax



Few claims resulted in strong insurance performance

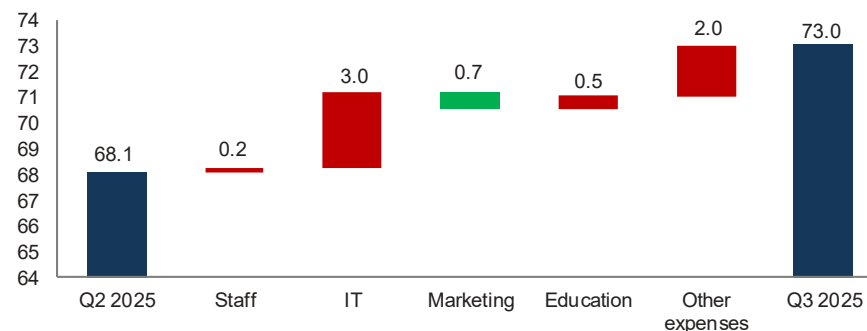
- Combined ratio of 77.1% in Q3 2025 compared to 89.4% in Q3 2024 – still well below our 2026 target of 88%.
- Insurance premiums grew by 4.7% in 2025 due to price rises and a continued inflow of new customers.
- Fewer insurance claims than expected in the first three quarters of 2025 resulted in a YoY decrease, primarily due to the absence of storms during the period.
- This resulted in a satisfactory 63% rise in profit before tax for Q1-Q3 2025 compared to the same period last year.

Cost/income ratio of 52.2%

- Total operating costs increased by 7.3% QoQ and by 4.1% YoY.
 - IT costs are under pressure due to increase in prices.
 - Increase in staff costs as a result of the yearly salary adjustments.
 - Operating costs are, however, in line with expectations for the year.
- End-of-period FTE of 202 – down by 5 FTE compared to Q4 2024.
- Operating costs are under pressure because of a general increase in costs. Focus is still on keeping costs at a low level to improve operational efficiency.

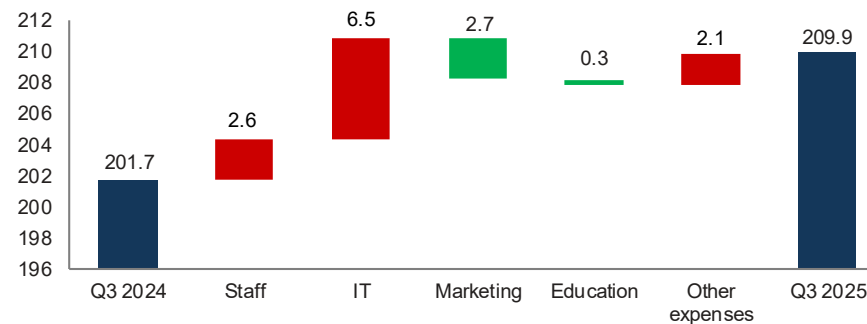
QoQ changes in operating costs

DKKm

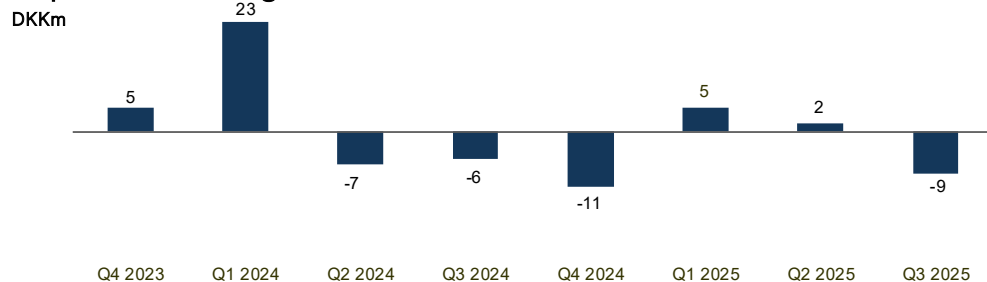


YoY changes in operating costs

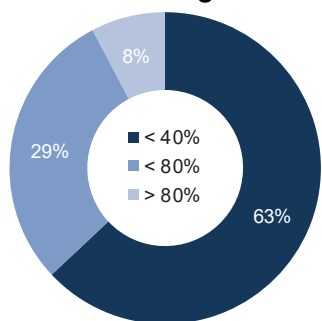
DKKm



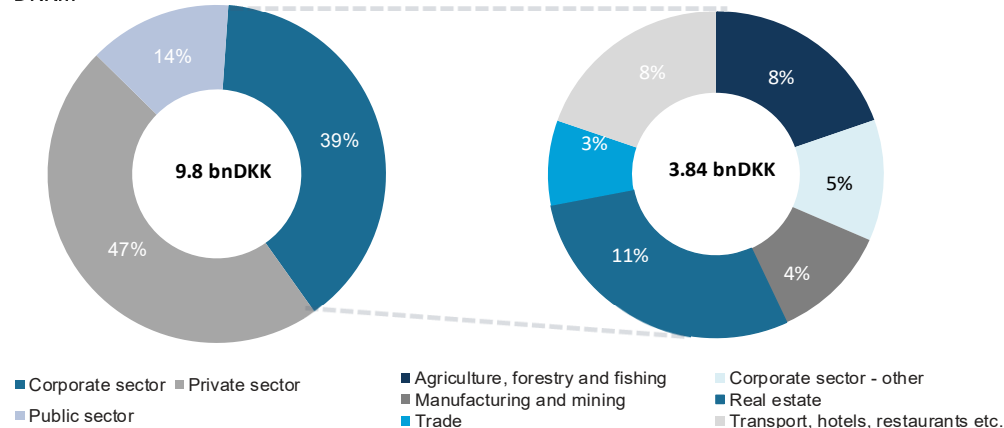
Impairment charges



LTV for housing loans¹



Gross lending by sector



Customers display strong credit robustness

- A reversal of impairment charges of DKK 9m in Q3 2025 compared to impairment charges of DKK 2m in Q2 2025.
 - Relates to a few specific corporate clients in Greenland.
- Discretionary management estimate of DKK 116.5m in Q3 2025. An increase of DKK 15m compared to previous quarter.
 - Related to general economic uncertainty caused by geopolitical tensions and macroeconomic developments.
- Strong LTV ratios for housing loans. 92% of total housing loans below LTV of 80% and 63% below LTV of 40%.
- Well-diversified corporate customer portfolio for prudent risk diversification across industries.

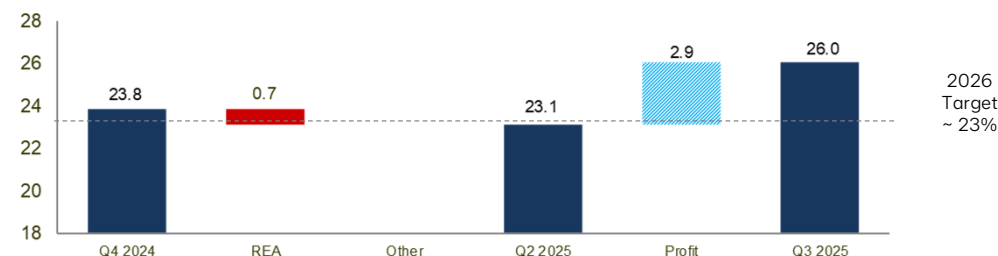
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1) Lending for housing accounts for DKK 4.3bn of total retail lending of DKK 4.6bn

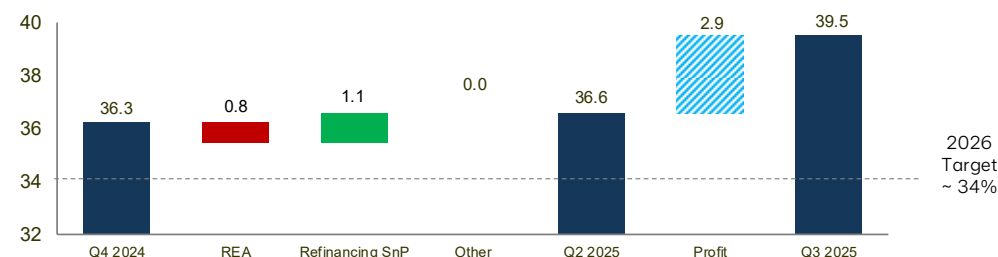
Strong capital and liquidity positions

- REA up by 3.2% over Q4 2024 to DKK 7,412m due to increase in lending volumes.
- Countercyclical capital buffer requirements in Greenland will increase from 0% to 1% as from 2026. The Bank already complies with the higher capital requirements.
- In June, Føroya Banki issued Senior Non-preferred bonds amounting to DKK 250m. In the same process, the Bank repaid Senior Non-preferred bonds at DKK 150m.
- Liquidity coverage ratio (LCR) of 294.5% and NSFR ratio of 163.3%. Both well above the requirement of 100%.

Changes in CET1 ratio



Changes in MREL Capital Ratio



Q3 in summary

- Good performance in the first three quarters, although interest rates have decreased.
- Continued growth in deposit volumes and a slight decline in loan volumes.
- Reversal of impairment charges – general customer credit robustness.
- Continued strong liquidity and capital positions.
- Net profit guidance for 2025 remains unchanged: DKK 235-265m.

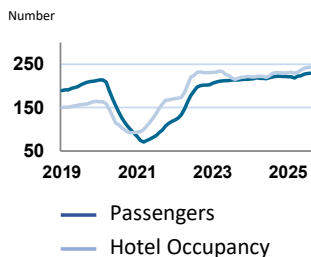
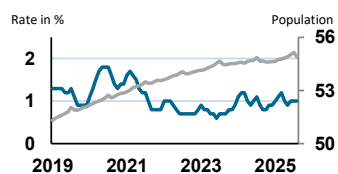
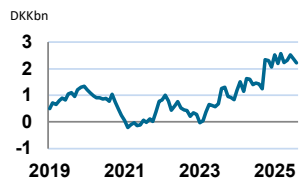
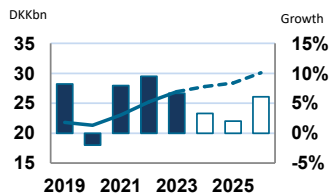


Føroya Banki

Faroese economic outlook

Strong and growing economy, but an ageing population raises concerns regarding fiscal stability.

Strong economy



GDP & Inflation

- Economic growth expected to continue. Outlook for 2025: 2.0% p.a. (nominal prices)
- Inflation has decreased steadily after Covid – in Aug. 2025 it stood at 1.1% p.a.

Positive trade balance

- Imports to the Faroe Islands have decreased more than exports, resulting in an increased positive balance of trade

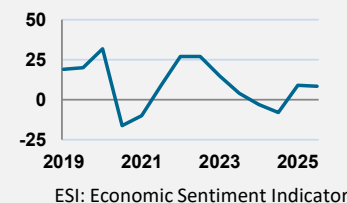
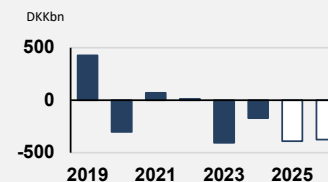
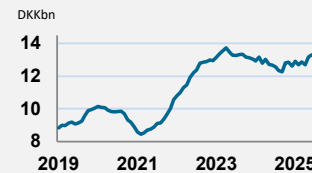
Low unemployment and population growth

- Unemployment rate remains low, standing at 1.0% in Aug 2025
- Population at all-time high, but growth rate has slowed

Tourism rebounding

- Record number of passengers flying through Vágar Airport and record number of hotel nights in 2025
- Contribution to economy growing rapidly

Downside risks



Restrictions on trade

- The US has introduced significant tariffs on imported goods (10% on Faroese products). International trade is likely to be negatively impacted, which is especially detrimental to small, open economies.

Exports

- Exports have been very strong in 2025, due to record large volumes of exported salmon and record-high cod & mackerel prices.
- The positive development in exports likely to be moderated in 2026 due to expected reduction in the TAC for pelagic fisheries.

Long-term fiscal stability

- Significant deficits in public finances in 2023 and 2024, which are expected to continue in 2025 & 2026 (Economic Council of the Faroe Islands). The Faroes are facing long-term challenges (pensions) due to an ageing population.

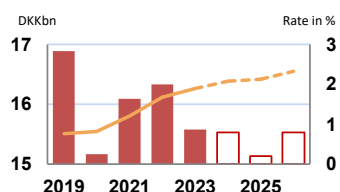
Business confidence (ESI)

- Overall confidence is 8, which is lower than the long-term average of 14. Construction confidence is down due to lower demand, while confidence within Services is marginally up.

Greenlandic economic outlook

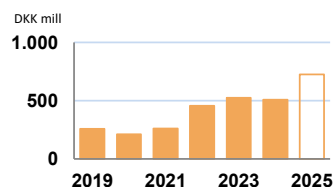
Moderate economic growth, new airport opened in Nuuk, but structural challenges remain.

Moderate growth momentum



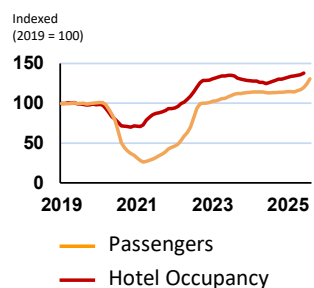
GDP

- Continued economic growth, but at a lower rate (2025 est. 0.2% (real))
- Stabilised by Danish block grant, which constitutes around a quarter of GDP



Increased importance of cod fisheries

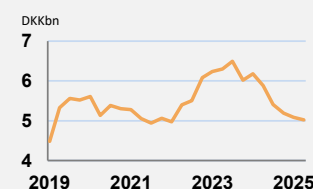
- Cod fisheries have seen a positive development in recent years.
- Marine scientists believe that the Greenland cod stock is in good condition



Tourism rebounding / Airport capacity

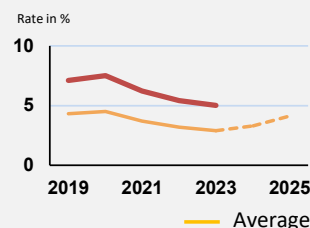
- Record number of passengers flying to and from Greenland and record number of hotel nights in 2025
- New international flights to Nuuk (New York & Reykjavik) are likely to have a material effect on the tourist industry

Downside risks and structural challenges



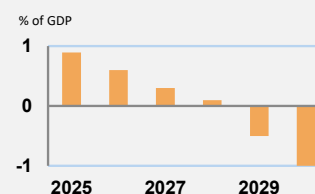
Exports

- Record strong exports in 2023, but as at end Q2 2025 exports were down 17% from peak level, mainly due to reduced caught volumes (prawns & Greenland halibut)



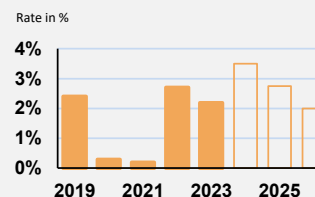
Increased unemployment (from low level) & structural challenges

- The unemployment rate for people with basic education (9 years) has decreased but remains persistently high (red line) compared to the average rate



Long-term fiscal stability

- Greenland's public finances are projected to deteriorate in the coming years due to an ageing population (reduced revenues and higher expenditures)



Inflation

- After low inflation rates in 2020 and 2021, the rate has increased and is forecast at 2.75% in 2025

Questions?

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Appendices

- Group
- Banking
- Personal Banking
- Corporate Banking
- Banking – Faroe Islands
- Banking – Greenland
- Insurance – Trygd
- Developments in business volumes
- Credit quality of loan portfolio

Group

Increase in total operating profit despite a decline in interest income.

DKKm	Q1-Q3 2025	Q1-Q3 2024	Index	Q3 2025	Q2 2025	Index	Q1 2025	Q4 2024	Q3 2024
Net interest income	237	269	88	77	84	91	76	78	87
Net fee and commission income	60	54	111	21	19	110	20	19	18
Net insurance income	56	46	122	14	27	53	16	10	20
Other operating income (less reclassification)	48	32	151	11	24	44	13	9	10
Total operating income	402	401	100	123	154	80	125	117	135
Operating costs ¹	210	202	104	73	68	107	69	72	69
Profit before impairment charges	192	200	96	50	86	58	56	46	66
Impairment charges, net	-2	10 -	16	-9	2 -	483	5	-11	-6
Operating profit	194	189	102	58	84	69	51	57	72
Investment portfolio earnings ²	77	106	73	22	30	73	25	31	48
Profit before tax	271	295	92	80	115	70	76	88	119
Operating costs/income, %	52	50		59	44		55	61	51
Number of FTE, end of period	202	206	98	202	199	101	204	207	206

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).

Comments on this page refer to the development in the current year compared to the same period last year.

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Banking

Satisfactory increase in lending volumes, deposit volumes and mortgage credit.

DKKmn	Q1-Q3 2025	Q1-Q3 2024	Index	Q3 2025	Q2 2025	Index	Q1 2025	Q4 2024	Q3 2024
Net interest income	237	269	88	77	84	91	76	78	87
Net fee and commission income	73	66	109	25	24	106	24	23	22
Other operating income	40	28	145	8	22	38	11	9	9
Total operating income	350	363	97	110	129	85	111	110	118
Operating costs	192	183	105	67	62	108	63	67	63
Profit before impairment charges	159	180	88	43	67	64	48	44	55
Impairment charges, net	-2	10 -	16	-9	2	-483	5	-11	-6
Operating profit	160	169	95	52	66	79	43	55	61
Investment portfolio earnings	71	95	75	18	28	63	25	29	43
Profit before tax	231	264	88	70	94	74	68	84	104
Loans and advances	9,600	9,072	106	9,600	9,697	99	9,272	9,086	9,072
Deposits and other debt	10,835	9,359	116	10,835	10,407	104	10,306	10,007	9,359
Mortgage credit	2,789	2,579	108	2,789	2,909	96	2,906	2,741	2,579
Operating costs/income, %	55	50		61	48		57	60	53
Number of FTE, end of period	173	175	99	173	171	101	174	177	175

Comments on this page refer to the development in the current year compared to the same period last year.

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Personal Banking

Increase in lending volumes and mortgage credit.

DKKm	Q1-Q3 2025	Q1-Q3 2024	Index	Q3 2025	Q2 2025	Index	Q1 2025	Q4 2024	Q3 2024
Net interest income	116	142	82	37	41	91	37	40	46
Net fee and commission income	55	51	107	19	18	106	18	18	17
Other operating income	25	22	111	5	13	39	6	6	11
Total operating income	195	216	91	62	72	85	61	64	75
Operating costs	159	151	106	57	51	111	52	55	52
Profit before impairment charges	36	65	56	5	22	23	10	9	23
Impairment charges, net	2	-9 -	23	0	-1	-39	3	-2	-8
Operating profit	34	74	46	4	23	20	7	10	31
Investment portfolio earnings	38	50	75	9	15	63	13	15	23
Profit before tax	72	124	58	14	38	37	20	26	54
Loans and advances	4,532	4,298	105	4,532	4,487	101	4,418	4,373	4,298
Deposits and other debt	6,108	6,161	99	6,108	6,720	91	6,505	6,228	6,161
Mortgage credit	2,203	2,160	102	2,203	2,181	101	2,169	2,175	2,160
Number of FTE, end of period	77	77	101	77	76	102	76	79	77

Comments on this page refer to the development in the current year compared to the same period last year.

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Corporate Banking

Significant increase in loans, deposits and mortgage credit.

DKKm	Q1-Q3 2025	Q1-Q3 2024	Index	Q3 2025	Q2 2025	Index	Q1 2025	Q4 2024	Q3 2024
Net interest income	121	126	96	39	43	92	39	38	40
Net fee and commission income	18	16	115	6	6	109	6	6	5
Other operating income	16	6	277	3	8	36	4	2	-2
Total operating income	155	148	105	49	57	86	49	46	44
Operating costs	33	32	101	10	11	92	11	11	11
Profit before impairment charges	122	115	106	38	46	84	38	35	33
Impairment charges, net	-4	19 -	20	-9	3	-318	2	-10	2
Operating profit	126	22	565	47	43	110	36	45	-2
Investment portfolio earnings	33	45	75	8	13	62	12	14	20
Profit before tax	159	140	114	56	56	99	47	58	50
Loans and advances	5,068	4,774	106	5,068	5,210	97	4,855	4,713	4,774
Deposits and other debt	4,726	3,198	148	4,726	3,687	128	3,802	3,779	3,198
Mortgage credit	585	419	140	585	728	80	736	565	419
Number of FTE, end of period	13	15	91	13	13	100	15	15	15

Comments on this page refer to the development in the current year compared to the same period last year.

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Banking – Faroe Islands

Satisfactory increase in deposit and lending volumes as well as mortgage credit.

DKKm	Q1-Q3 2025	Q1-Q3 2024	Index	Q3 2025	Q2 2025	Index	Q1 2025	Q4 2024	Q3 2024
Net interest income	205	223	92	68	72	94	66	66	73
Net fee and commission income	61	56	109	21	20	105	20	20	18
Other operating income	36	24	152	7	19	38	10	8	6
Total Operating income	302	303	100	96	111	87	96	94	97
Operating costs	161	156	103	58	51	112	52	55	53
Profit before impairment charges	141	146	96	38	59	65	43	39	44
Impairment charges, net	13	-15 -	84	7	-2	-281	8	3	3
Operating profit	128	161	80	32	62	52	35	36	41
Investment portfolio earnings	56	72	78	14	22	64	20	23	33
Profit before tax	185	233	79	46	84	55	55	58	74
Loans and advances	8,490	7,580	112	8,490	8,221	103	7,874	7,658	7,580
Deposits and other debt	9,238	8,291	111	9,238	9,022	102	9,060	8,604	8,291
Mortgage credit	1,717	1,571	109	1,717	1,699	101	1,701	1,718	1,571
Operating costs/income, %	53	52		60	47		55	60	54
Number of FTE, end of period	156	158	99	156	154	101	156	158	158

Comments on this page refer to the development in the current year compared to the same period last year.

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Banking – Greenland

Continued positive development in deposits, lending and mortgage credit.

DKKm	Q1-Q3 2025	Q1-Q3 2024	Index	Q3 2025	Q2 2025	Index	Q1 2025	Q4 2024	Q3 2024
Net interest income	32	46	70	9	12	75	11	12	14
Net fee and commission income	12	11	109	4	4	113	4	3	4
Other operating income	4	4	107	1	3	39	0	0	3
Total operating income	48	60	79	14	19	76	15	16	21
Operating costs	30	27	113	9	10	88	11	12	9
Profit before impairment charges	17	33	52	5	8	61	4	5	12
Impairment charges	-14	25 -	56	-15	4	-368	-3	-15	-8
Operating profit	32	8	397	20	4	491	8	19	20
Investment portfolio earnings	15	23	65	3	6	58	5	6	10
Profit before tax	47	31	151	24	10	233	13	25	30
Loans and advances	1,110	1,492	74	1,110	1,475	75	1,398	1,428	1,492
Deposits and other debt	1,597	1,067	150	1,597	1,385	115	1,246	1,403	1,067
Mortgage credit	1,072	1,009	106	1,072	1,210	89	1,205	1,022	1,009
Operating costs/income, %	64	45		65	56		72	64	47
Number of FTE, end of period	17	17	98	17	17	98	18	18	17

Comments on this page refer to the development in the current year compared to the same period last year.

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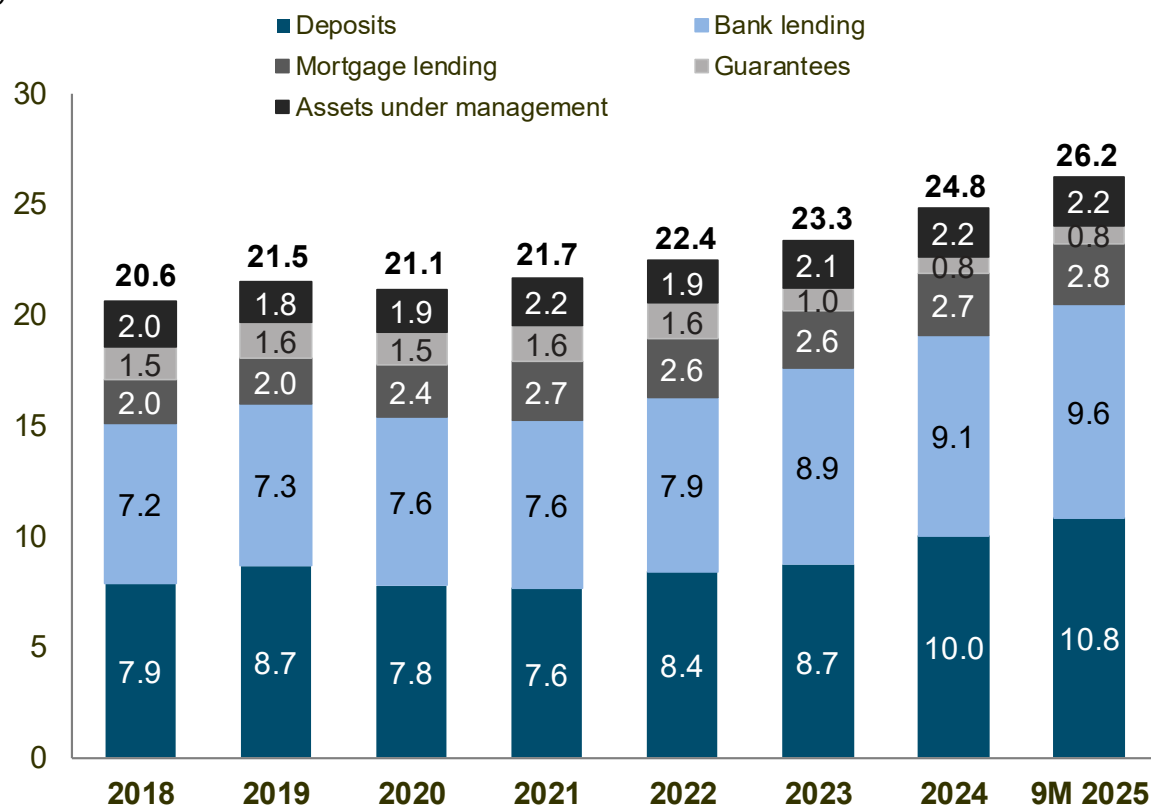
Strong results for the first three quarters in 2025, primarily driven by a decrease in storm related claims.

DKKm	Q1-Q3 2025	Q1-Q3 2024	Index	Q3 2025	Q2 2025	Index	Q1 2025	Q4 2024	Q3 2024
Premium income, net of reinsurance	124	118	105	42	42	99	40	38	40
Claims, net of reinsurance	71	82	87	25	20	123	27	32	22
Net insurance income	53	36	146	17	22	77	14	6	18
Net income from investment activities	5	9	57	4	2	221	0	2	4
Operating income	58	45	128	20	23	87	14	7	21
Operating costs	21	23	93	7	7	99	7	6	7
Profit before tax	37	22	163	14	17	82	7	1	14
Combined ratio	77	89		78	67		87	102	74
Claims ratio	58	70		59	48		66	85	55
Number of FTE, end of period	21	23	94	21	21	101	23	23	23

Comments on this page refer to the development in the current year compared to the same period last year.

Developments in business volumes

The business volumes at the end of Q3 2025 totalled DKK 26.2bn, which was 5.6% higher than at the end of last year.



Business volumes (sum of deposits, lending, guarantees and AUM)

Credit quality of the loan portfolio

Good credit quality in general – decrease in portfolio with weakness.

	Q3 2025	Q3 2024	change	Index
Portfolio without weakness	8,747	7,361	1,385	119
Portfolio with some weakness	3,614	3,873	-259	93
Portfolio with weakness	395	473	-78	84
- of which unsecured	55	31	23	174
- impairments	13	7	7	200
Portfolio with OIE	225	432	-207	52
- of which unsecured	49	94	-45	53
- impairments	36	48	-12	75
Portfolio w/o individual classification	29	27	3	111
Total	13,010	12,166	845	

Total loan portfolio (gross exposure) includes

- Loans and advances
- Credits
- Unused credits
- Guarantees

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