First half 2026 results

Investor Presentation

Føroya Banki

Overview

- Føroya Banki at a glance
- Financials
  - Operating income
  - Insurance
  - Costs
  - Impairment charges
  - Capital ratios
- Q2 Summary
- The Faroese and Greenlandic economies
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Føroya Banki

Presence in the North Atlantic region

Total assets:
DKK 15.4bn

Faroe Islands:
Loans: DKK 8,856m
Deposits: DKK 9,515m

Greenland:
Loans: DKK 932m
Deposits: DKK 1,898m

Group figures:
Loans: DKK 9,788m
Deposits: DKK 11,413m

Q2 2026 figures

Føroya Banki

Financials

Føroya Banki

Satisfactory results

- Steady growth in total business volumes in Q2 2026, up by 2% compared to the previous quarter.
- Increased activity in the investment sector, reflected in an 8% increase in AuM.
- Total operating income in line with the previous quarter.
- Cost/income ratio of 57.3% - a bit higher than the 2026 target, but a RoE after tax of 14.6% is within the target.
- Low impairment charges of DKK 3m in Q2.
- Increase in investment portfolio earnings due to rise in market rates.
- At the end of H1 2026, the net profit for the Group was in the upper part of the guided range, but the guidance for the year is maintained at a net profit in the DKK 195-235m range.

Profit & Loss

DKKm	H1 2026	H1 2025	*Index*	Q2 2026	Q1 2026	*Index*
Net interest income	159	160	*99*	81	78	*105*
Net fee and commission income	45	39	*116*	23	23	*100*
Net insurance income	28	42	*65*	11	16	*68*
Other operating income	24	37	*65*	13	11	*115*
Total operating income	**256**	**279**	***92***	**128**	**128**	***100***
Operating costs	145	137	*106*	73	72	*102*
Profit before impairment charges	**111**	**142**	***78***	**55**	**56**	***97***
Net impairment charges on loans	2	7	*35*	3	-1	
Operating profit	**109**	**135**	***80***	**52**	**57**	***91***
Investment portfolio earnings	46	55	*84*	34	13	*264*
Profit before tax	**155**	**190**	***81***	**85**	**70**	***122***
Tax	30	36	*82*	16	14	*114*
Net profit	**125**	**154**	***81***	**69**	**56**	***124***

Key Metrics

DKKbn	Target 2026	H1 2026	H1 2025	*Index*	Q2 2026	Q1 2026	*Index*
Loans and advances		9.8	9.7	*101*	9.8	9.8	*100*
Deposits and other debt		11.4	10.4	*110*	11.4	11.1	*103*
Mortgage credit		3.0	2.9	*104*	3.0	3.1	*97*
Assets under management		2.4	2.2	*109*	2.4	2.2	*108*
Operating cost / income, %	< 53.0	56.7	49.1		57.3	56.0	
CET1 capital ratio, %	23.0	25.6	22.7		25.6	25.5	
RoE after tax, %	> 12.0	12.7	15.6		14.6	11.5	

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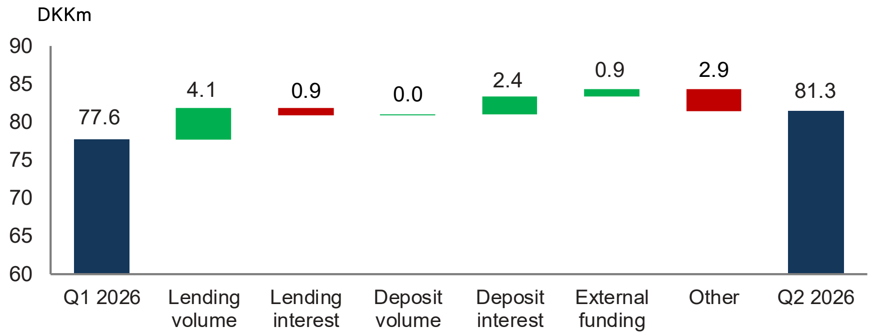
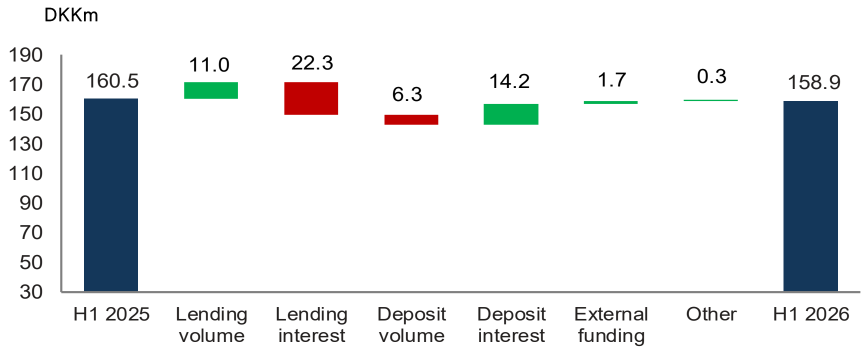
Stabilised interest rate level

QoQ changes in net interest income



YoY changes in net interest income



- Net interest income up by DKK 5% QoQ and down by DKK 1% YoY.
- Deposit interest income reflects fluctuations in the use of high-yield deposit products.
- Growth in lending volumes supports a stable level of interest income.
- In response to the increase in market interest rates, the bank has announced an interest rate increase and anticipates a further increase later this year.

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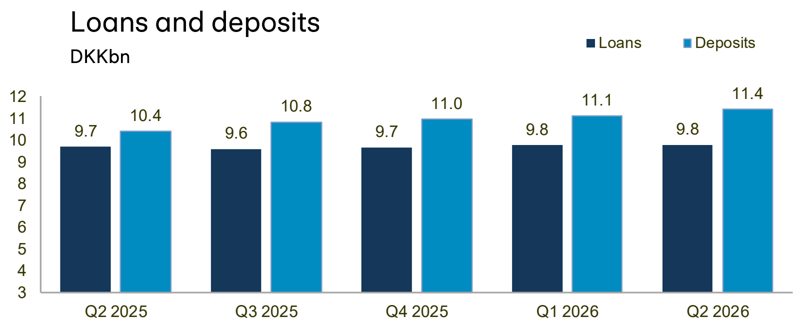
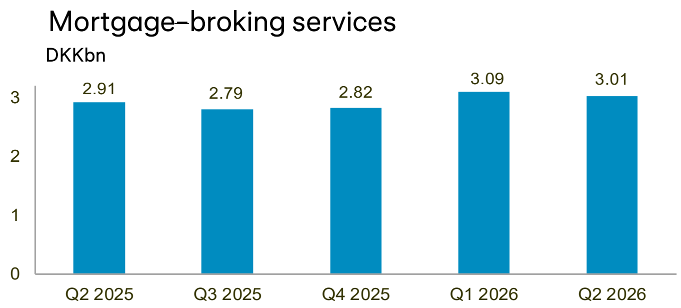
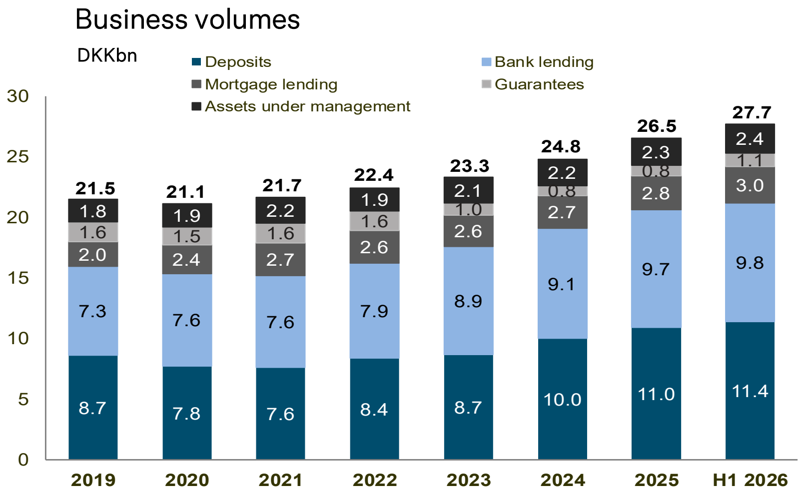
Growth in business volumes







- Growth in loans and deposits remains stable:
  - Lending volumes flat QoQ and up by 1% YoY.
  - Deposit volumes up by 3% QoQ and up by 10% YoY.
- Mortgage broking services down by 3% QoQ and up by 4% YoY.
- Business volumes at the end of Q2 2026 totalled DKK 27.7bn, which was 2% higher than the previous quarter and 7% higher than the same period last year.

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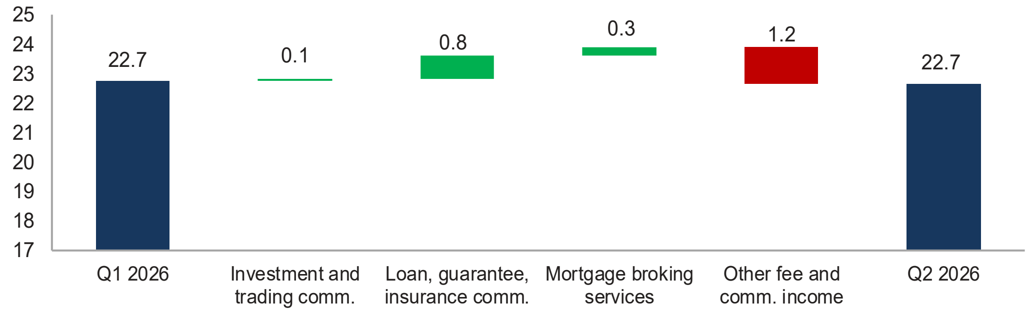
Increased activity

- Fee and commission income flat QoQ and up by DKK 16% YoY.
- The year-on-year increase reflects increased business volumes rather than an increase in costs.
- Other fee and commission income includes- service fees, currency exchange fees, card fees and ATM fees.

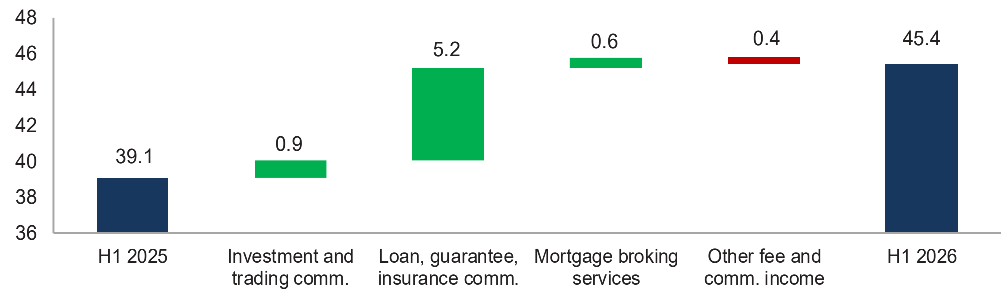
QoQ changes in fee and commission income

DKKm



YoY changes in fee and commission income

DKKm



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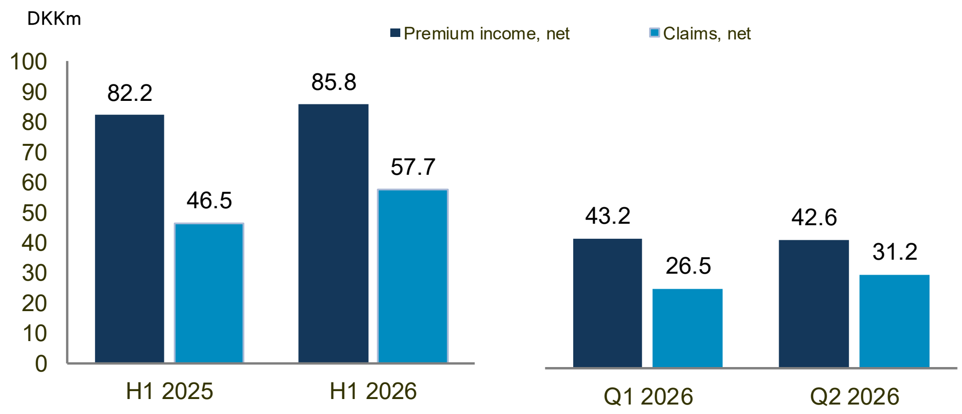
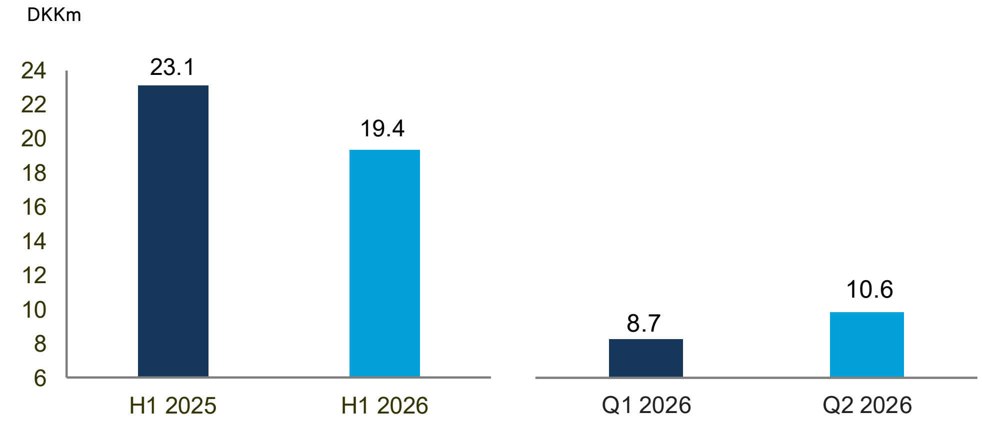
Satisfactory insurance results

Premiums and claims



Profit before tax



- Combined ratio of 85.6% in H1 2026 compared to 76.5% in H1 2025 – still below our 2026 target of 88%.
- Insurance premiums grew by 4.4% from H1 2025 to H1 2026 due to price rises and a continued inflow of new customers.
- Increase in claims compared to the same period last year.
- Profit before tax of DKK 19.4m for H1 2026 remains satisfactory, despite being slightly lower than in the year-earlier period.

Føroya Banki

Operating costs under pressure

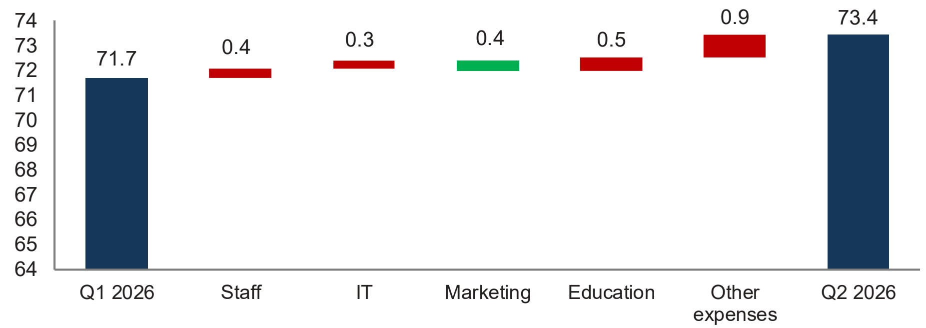
- Total operating costs increased by 2% QoQ and by 6% YoY:
  - A general increase in expenses across all areas.
  - The YoY increase reflects the annual salary adjustment.

- Operating costs were in line with expectations for the quarter, however. Focus remains on keeping costs at a low level to improve operational efficiency.

- End-of-period FTEs of 201 - down by 2 FTEs compared to H1 2025.

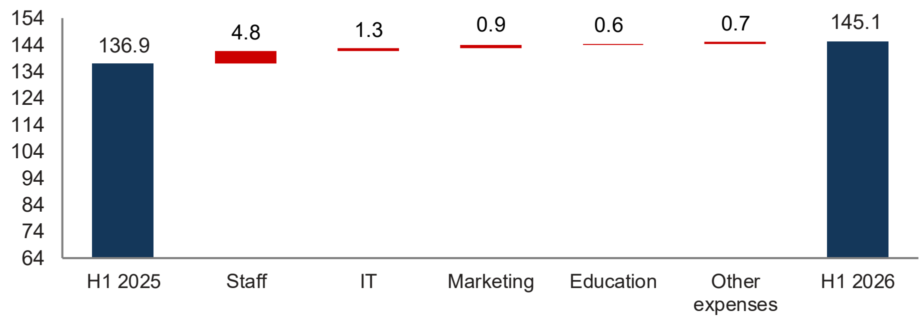
QoQ changes in operating costs

DKKm



YoY changes in operating costs

DKKm



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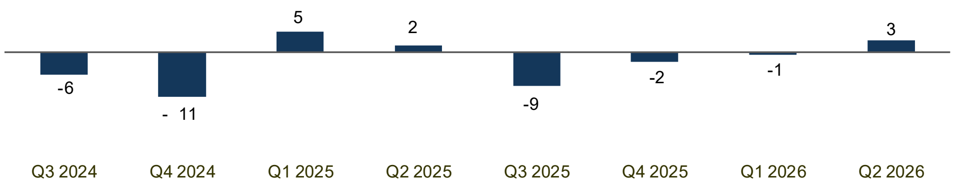
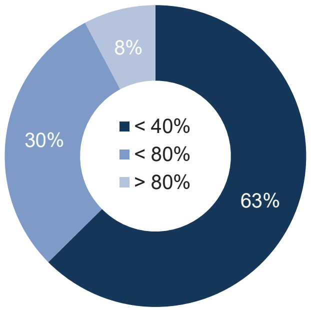
Impairment charges

DKKm

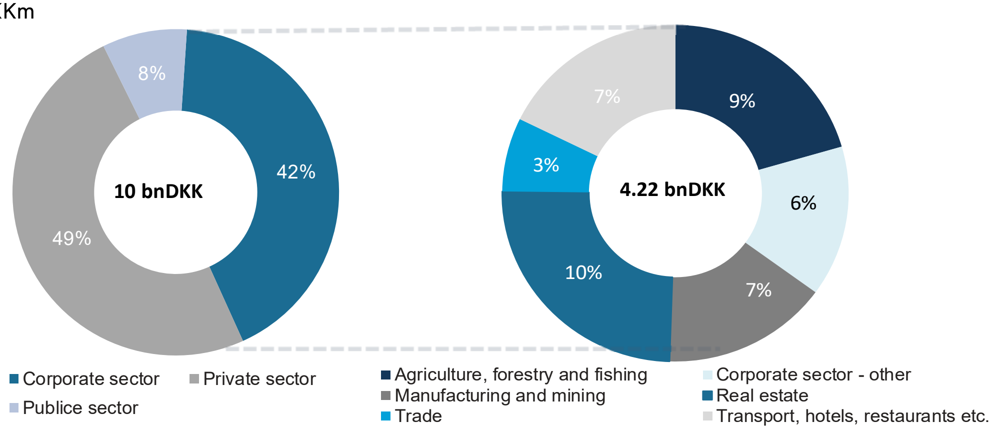


LTV for housing loans[1]



Gross lending by sector

DKKm



1) Lending for housing accounts for DKK 4.7bn of total retail lending of DKK 5.0bn

Customers display strong credit robustness

- Strong credit quality of overall portfolio:
  - Impairment charges of DKK 3m in Q2 2026 compared to a reversal of DKK 1m in Q1 2026
- Discretionary management estimate of DKK 121.5m in Q2 2026. Unchanged from the 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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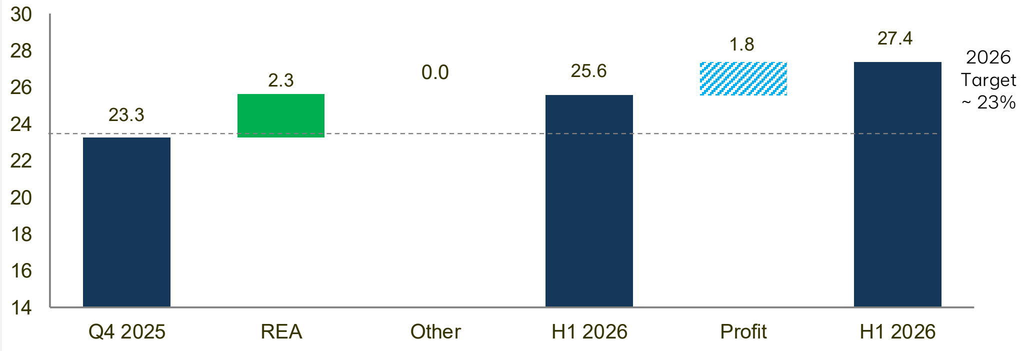
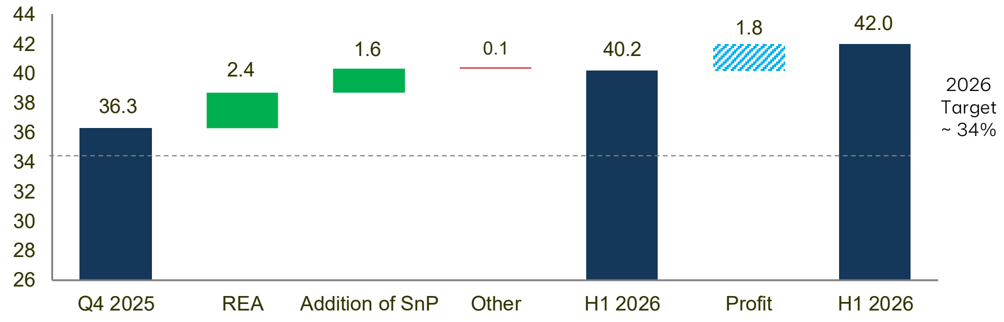
Strong liquidity and capital position

- As of 1 January 2026, CRR 3 took effect in the Faroe Islands. The overall effect on REA was lower credit risk and lower operational risk:
  - REA down by 9.0% over Q2 2025
- The Systemic Risk Council has proposed an increase in the countercyclical capital buffer in the Faroe Islands from 1% to 2%, effective from 30 September 2027.
- Liquidity coverage ratio (LCR) of 274% and NSFR ratio of 168%. Both well above the requirement of 100%.

CET1 ratio



MREL Capital Ratio



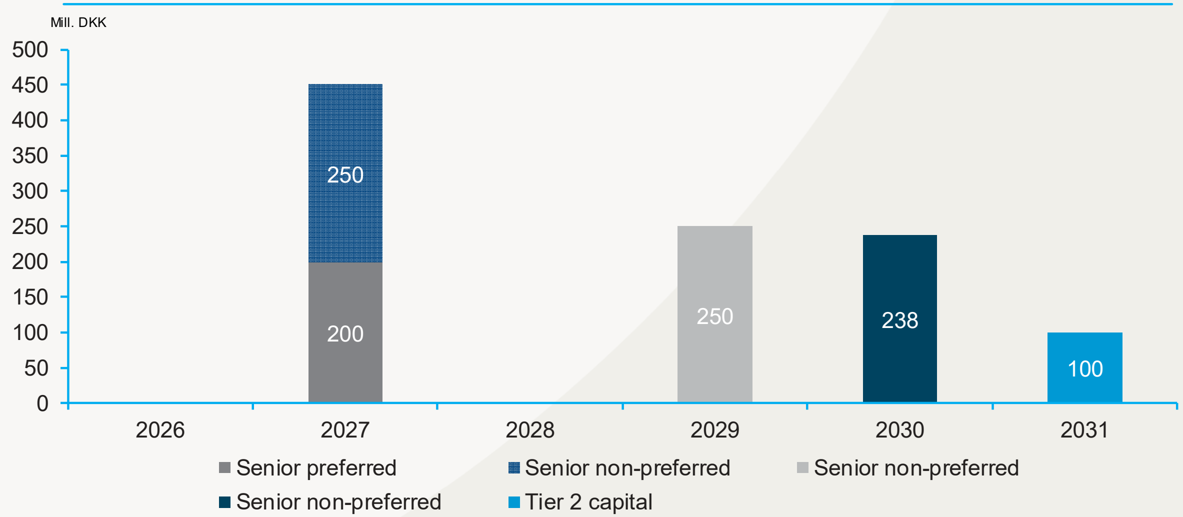
Capital instruments and senior debt

- Føroya Banki fulfils all capital requirements with the existing portfolio of capital instruments and senior debt. Going forward, the focus is on refinancing maturing debt and supporting lending growth.

- In Q1 2026, the Bank issued SEK 350m (DKK 238m) in senior non-preferred bonds and repaid senior non-preferred bonds of SEK 300m (207m DKK).

- The Bank issued DKK 100m in new Tier 2 bonds in May 2026 and redeemed DKK 100m of existing Tier 2 bonds in June 2026 as part of its capital refinancing.

Capital and Senior Debt - Q2 2026



Føroya Banki

The Faroese and Greenlandic economies

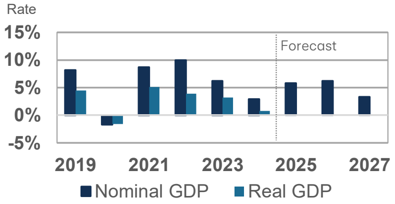
Føroya Banki

Faroese economic outlook

Growth remains resilient, supported by strong exports and low unemployment, while fisheries quotas and fiscal pressures are key risks.

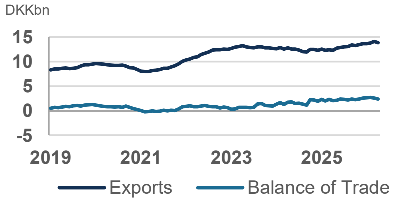
GDP & Inflation

- Expected nominal GDP growth: 5.8% in 2025, 6.2% in 2026 and 3.3% in 2027.
- Expected real GDP growth: no forecast available.
- Inflation: 2.4% in May 2026, the highest level in two years.



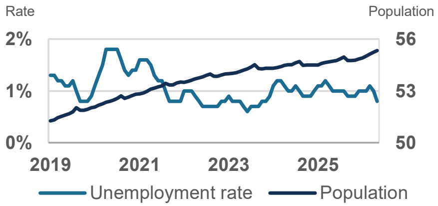
Exports & Trade

- Total exports: DKK 13.8bn (+12.5% YoY), driven by seafood exports of DKK 13.1bn (+14.3% YoY).
- Seafood exports: about equal shares of wild-caught fisheries and aquaculture.
- Balance of trade: DKK 2.4bn surplus.



Labour market and population growth

- Unemployment rate: very low at 0.8% in May 2026.
- Labour force: 84% of population aged 15-74 in 2025, the highest in Europe.
- Population: growth higher than in the previous period.



Key risk factors

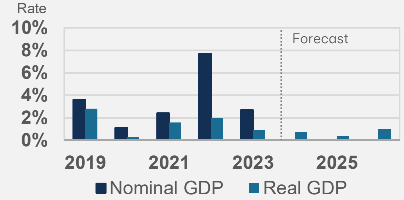
- Mackerel quota: reduced by nearly half in 2026, but high prices may partly offset the impact.
- Business confidence: weakened slightly in June 2026, pointing to weaker overall sentiment.
- Fiscal planning: The government and municipalities record deficits.
- Housing market: rising house prices and housing shortages reduce affordability for first-time buyers.
- Geopolitical developments: impact on energy prices and inflation.

Greenlandic economic outlook

Growth is modest, while fisheries dependence and public finances are key risks.

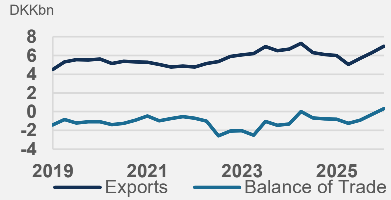
GDP & Inflation

- Expected real GDP growth: below 1% following completion of major infrastructure projects.
- Danish block grant: 18% of GDP has a stabilising effect.
- Tourism: growth potential supported by new airports.
- Inflation: 3.7% in January 2026.



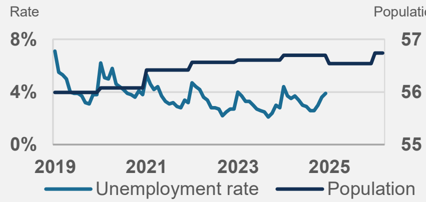
Exports & Trade

- Total exports: DKK 7.0bn (+16.4% YoY), consisting almost entirely of wild-caught fisheries.
- Balance of trade: a small surplus.



Labour market and population growth

- Unemployment rate: around 3.5% in 2024, the latest available update.
- Population: slow growth.



Key risk factors

- Public finances: weakened significantly in 2025 and sensitive to dividends from major state-owned companies.
- Demographic changes: pose a major long-term challenge.
- Economy highly dependent on wild-caught fisheries undergoing a potential structural shift.
- Geopolitical developments: impact on energy prices and inflation.

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Summary Q2 2026

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Q2 2026 summary

- Steady growth in business volumes
- Total operating income unchanged
- Increased activity in the investment sector
- Operating costs in line with expectations
- Low impairment charges
- Increase in investment portfolio earnings
- Continued strong liquidity and capital position

Questions?

Føroya Banki

Appendices

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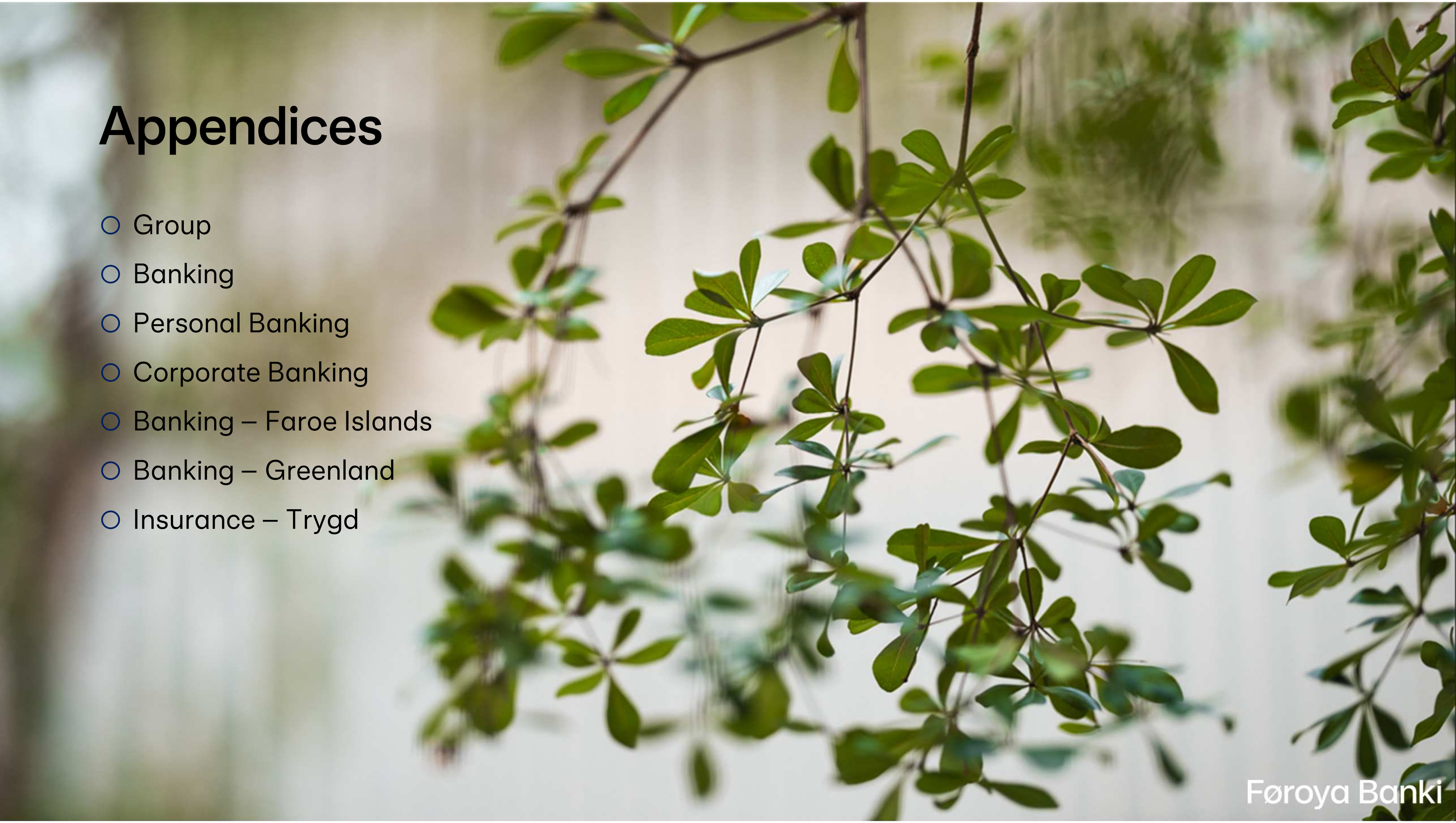

Appendices

- Group
- Banking
- Personal Banking
- Corporate Banking
- Banking – Faroe Islands
- Banking – Greenland
- Insurance – Trygd

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Group

Income from our core business is in line with 2025 – or higher. While insurance income and other income are lower due to exceptionally strong results in 2025.

DKKm	H1 2026	H1 2025	*Index*	Q2 2026	Q1 2026	*Index*	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Net interest income	159	160	*99*	81	78	*105*	79	77	84	76
Net fee and commission income	45	39	*116*	23	23	*100*	24	21	19	20
Net insurance income	28	42	*65*	11	16	*68*	20	14	27	16
Other operating income (less reclassification)	24	37	*65*	13	11	*115*	10	11	24	13
Total operating income	**256**	**279**	***92***	**128**	**128**	***100***	**132**	**123**	**154**	**125**
Operating costs[1]	145	137	*106*	73	72	*102*	70	73	68	69
Profit before impairment charges	**111**	**142**	***78***	**55**	**56**	***97***	**63**	**50**	**86**	**56**
Impairment charges, net	2	7	*35*	3	-1	- *444*	-2	-9	2	5
Operating profit	**109**	**135**	***80***	**52**	**57**	***91***	**65**	**58**	**84**	**51**
Investment portfolio earnings[2]	46	55	*84*	34	13	*264*	20	22	30	25
Profit before tax	**155**	**190**	***81***	**85**	**70**	***122***	**85**	**80**	**115**	**76**
Operating costs/income, %	57	49		57	56		53	59	44	55
Number of FTE, end of period	201	199	*101*	201	207	*97*	201	202	199	204

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.

Banking

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

DKKm	H1 2026	H1 2025	*Index*	Q2 2026	Q1 2026	*Index*	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Net interest income	159	160	*99*	81	78	*105*	79	77	84	76
Net fee and commission income	51	48	*108*	26	26	*100*	27	25	24	24
Other operating income	19	32	*60*	10	9	*114*	8	8	22	11
Total operating income	**230**	**240**	***96***	**117**	**112**	***104***	**114**	**110**	**129**	**111**
Operating costs	134	125	*107*	67	66	*102*	64	67	62	63
Profit before impairment charges	**96**	**115**	***84***	**50**	**46**	***108***	**50**	**43**	**67**	**48**
Impairment charges, net	2	7	*35*	3	-1	*-444*	-2	-9	2	5
Operating profit	**94**	**108**	***87***	**47**	**47**	***100***	**52**	**52**	**66**	**43**
Investment portfolio earnings	40	53	*75*	27	13	*200*	18	18	28	25
Profit before tax	**134**	**162**	***83***	**74**	**60**	***122***	**70**	**70**	**94**	**68**
Loans and advances	9,788	9,697	*101*	9,788	9,774	*100*	9,670	9,600	9,697	9,272
Deposits and other debt	11,413	10,407	*110*	11,413	11,112	*103*	10,957	10,835	10,407	10,306
Mortgage credit	3,015	2,909	*104*	3,015	3,095	*97*	2,824	2,789	2,909	2,906
Operating costs/income, %	58	52		57	59		56	61	48	57
Number of FTE, end of period	172	171	*101*	172	178	*97*	173	173	171	174

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

Personal Banking

Satisfactory increase in lending, mortgage credit and deposit volumes.

DKKm	H1 2026	H1 2025	*Index*	Q2 2026	Q1 2026	*Index*	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Net interest income	77	79	*97*	39	37	*106*	37	37	41	37
Net fee and commission income	37	36	*103*	18	18	*99*	20	19	18	18
Other operating income	13	19	*67*	7	6	*106*	4	5	13	6
Total operating income	**126**	**134**	***94***	**64**	**62**	***104***	**61**	**62**	**72**	**61**
Operating costs	109	103	*107*	55	54	*103*	52	57	51	52
Profit before impairment charges	**17**	**31**	***55***	**9**	**8**	***109***	**9**	**5**	**22**	**10**
Impairment charges, net	-4	2	*- 251*	0	-5	*-9*	4	0	-1	3
Operating profit	**22**	**30**	***73***	**9**	**13**	***66***	**4**	**4**	**23**	**7**
Investment portfolio earnings	21	28	*75*	14	7	*208*	9	9	15	13
Profit before tax	**43**	**58**	***74***	**23**	**20**	***115***	**14**	**14**	**38**	**20**
Loans and advances	4,876	4,487	*109*	4,876	4,754	*103*	4,647	4,532	4,487	4,418
Deposits and other debt	6,984	6,720	*104*	6,984	6,248	*112*	6,121	6,108	6,720	6,505
Mortgage credit	2,214	2,181	*102*	2,214	2,223	*100*	2,217	2,203	2,181	2,169
Number of FTE, end of period	76	76	*101*	76	80	*95*	77	77	76	76

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Corporate Banking

Significant increase in deposits and mortgage credit.

DKKm	H1 2026	H1 2025	*Index*	Q2 2026	Q1 2026	*Index*	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Net interest income	82	82	*101*	42	40	*104*	42	39	43	39
Net fee and commission income	15	12	*125*	7	7	*102*	7	6	6	6
Other operating income	6	13	*50*	4	3	*131*	4	3	8	4
Total operating income	**103**	**106**	***97***	**53**	**50**	***105***	**53**	**49**	**57**	**49**
Operating costs	24	23	*108*	12	12	*96*	12	10	11	11
Profit before impairment charges	**79**	**84**	***94***	**41**	**38**	***108***	**41**	**38**	**46**	**38**
Impairment charges, net	7	5	*132*	3	4	*65*	-6	-9	3	2
Operating profit	**72**	**79**	***92***	**38**	**34**	***113***	**47**	**47**	**43**	**36**
Investment portfolio earnings	19	25	*76*	12	6	*193*	9	8	13	12
Profit before tax	**91**	**104**	***88***	**51**	**40**	***126***	**56**	**56**	**56**	**47**
Loans and advances	4,912	5,210	*94*	4,912	5,020	*98*	5,023	5,068	5,210	4,855
Deposits and other debt	4,429	3,687	*120*	4,429	4,864	*91*	4,835	4,726	3,687	3,802
Mortgage credit	800	728	*110*	800	871	*92*	606	585	728	736
Number of FTE, end of period	15	13	*109*	15	15	*101*	13	13	13	15

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Banking – Faroe Islands

Satisfactory increase in loans, deposits and mortgage credit.

DKKm	**H1 2026**	**H1 2025**	***Index***	**Q2 2026**	**Q1 2026**	***Index***	**Q4 2025**	**Q3 2025**	**Q2 2025**	**Q1 2025**
Net interest income	140	138	*102*	72	68	*105*	69	68	72	66
Net fee and commission income	43	40	*108*	22	21	*104*	23	21	20	20
Other operating income	16	29	*56*	9	7	*126*	7	7	19	10
Total Operating income	**200**	**206**	***97***	**103**	**97**	***106***	**99**	**96**	**111**	**96**
Operating costs	113	104	*108*	57	55	*103*	54	58	51	52
Profit before impairment charges	**87**	**103**	***85***	**46**	**41**	***111***	**45**	**38**	**59**	**43**
Impairment charges, net	5	6	*84*	0	5	*-2*	-1	7	-2	8
Operating profit	**82**	**97**	***85***	**46**	**36**	*127*	**47**	**32**	**62**	**35**
Investment portfolio earnings	33	42	*78*	22	11	*202*	15	14	22	20
Profit before tax	**115**	**139**	***83***	**68**	**47**	***145***	**61**	**46**	**84**	**55**
Loans and advances	8,856	8,221	*108*	8,856	8,821	*100*	8,690	8,490	8,221	7,874
Deposits and other debt	9,515	9,022	*105*	9,515	9,590	*99*	9,581	9,238	9,022	9,060
Mortgage credit	1,962	1,699	*115*	1,962	1,969	*100*	1,713	1,717	1,699	1,701
Operating costs/income, %	56	50		55	57		54	60	47	55
Number of FTE, end of period	152	154	*99*	152	158	*96*	156	156	154	156

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

Føroya Banki

Banking – Greenland

Significant increase in deposits. Lower economic activity in general, resulting in reduced demand for financing.

DKKm	H1 2026	H1 2025	*Index*	Q2 2026	Q1 2026	*Index*	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Net interest income	19	23	*82*	10	9	*103*	9	9	12	11
Net fee and commission income	8	8	*110*	4	5	*80*	4	4	4	4
Other operating income	3	3	*95*	1	2	*65*	1	1	3	0
Total operating income	**30**	**34**	***90***	**14**	**16**	***91***	**14**	**14**	**19**	**15**
Operating costs	21	21	*99*	10	11	*95*	10	9	10	11
Profit before impairment charges	**9**	**12**	***73***	**4**	**5**	***84***	**4**	**5**	**8**	**4**
Impairment charges	-3	1 -	*339*	3	-6	*-54*	-1	-15	4	-3
Operating profit	**12**	**12**	***101***	**1**	**11**	***9***	**5**	**20**	**4**	**8**
Investment portfolio earnings	7	11	*65*	5	2	*194*	3	3	6	5
Profit before tax	**19**	**23**	***83***	**6**	**13**	***44***	**9**	**24**	**10**	**13**
Loans and advances	932	1,475	*63*	932	952	*98*	980	1,110	1,475	1,398
Deposits and other debt	1,898	1,385	*137*	1,898	1,522	*125*	1,375	1,597	1,385	1,246
Mortgage credit	1,053	1,210	*87*	1,053	1,125	*94*	1,111	1,072	1,210	1,205
Operating costs/income, %	70	63		71	68		72	65	56	72
Number of FTE, end of period	20	17	*114*	20	20	*101*	17	17	17	18

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

Trygd

Continued satisfactory performance.

DKKm	H1 2026	H1 2025	*Index*	Q2 2026	Q1 2026	*Index*	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Premium income, net of reinsurance	86	82	*104*	43	43	*99*	42	42	42	40
Claims, net of reinsurance	58	47	*124*	31	27	*117*	22	25	20	27
Net insurance income	**28**	**36**	***79***	**11**	**17**	***69***	**20**	**17**	**22**	**14**
Net income from investment activities	6	2	*360*	7	-1	*-852*	2	4	2	0
Operating income	**34**	**37**	***91***	**18**	**16**	***115***	**22**	**20**	**23**	**14**
Operating costs	15	14	*104*	8	7	*106*	7	7	7	7
Profit before tax	**19**	**23**	*84*	**11**	**9**	***122***	**15**	**14**	**17**	**7**
Combined ratio	86	77		92	80		72	78	67	87
Claims ratio	67	57		73	61		52	59	48	66
Number of FTE, end of period	21	21	*101*	21	21	*100*	21	21	21	23

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

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