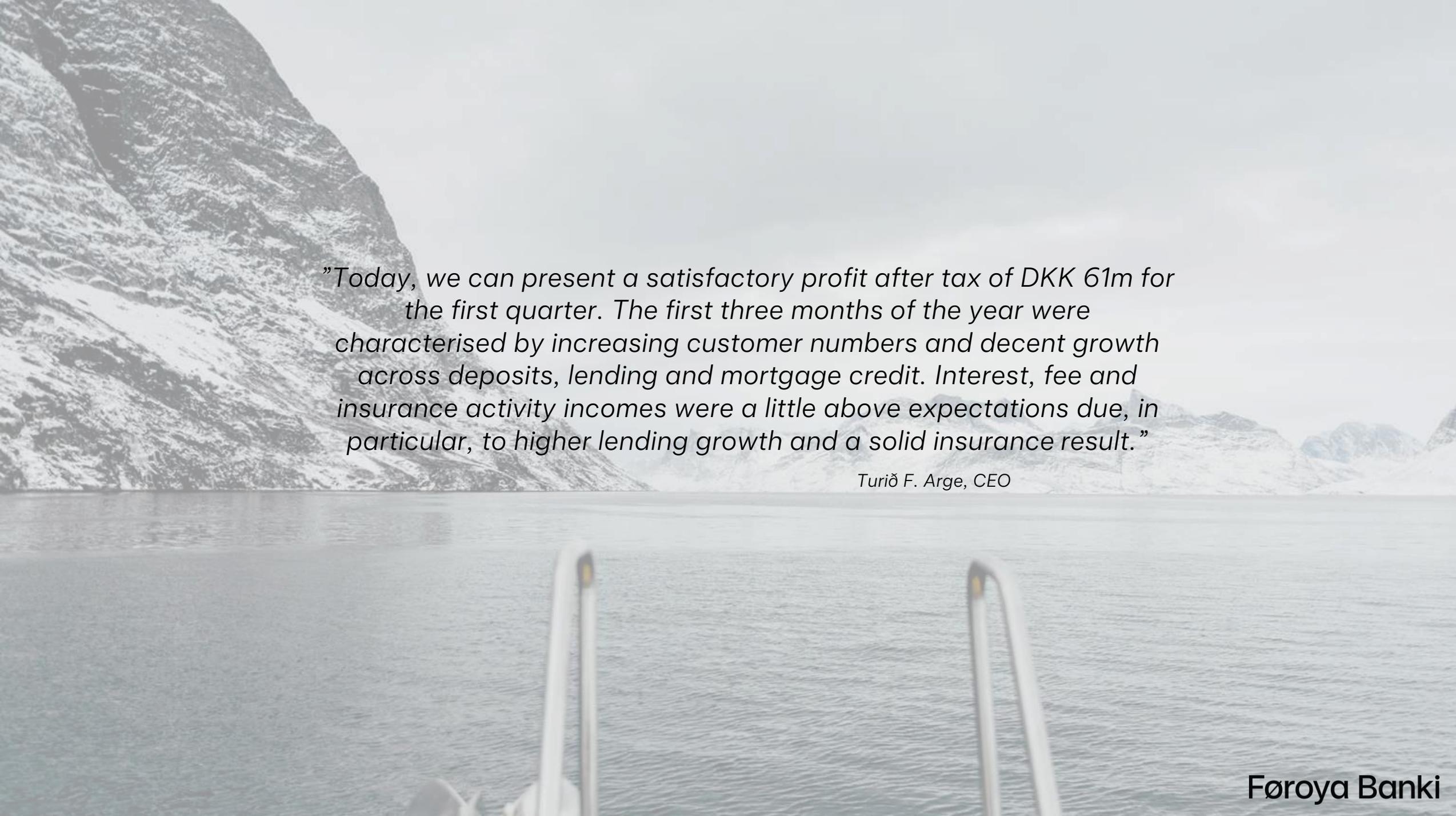


Satisfactory results for Q1 2025

Turið F. Arge, CEO
30 April 2025



”Today, we can present a satisfactory profit after tax of DKK 61m for the first quarter. The first three months of the year were characterised by increasing customer numbers and decent growth across deposits, lending and mortgage credit. Interest, fee and insurance activity incomes were a little above expectations due, in particular, to higher lending growth and a solid insurance result.”

Turið F. Arge, CEO

Overview

- Føroya Banki at a glance
- Financials
 - Operating income
 - Insurance
 - Expenditures
 - Impairment charges
 - Capital ratios
- The Faroese and Greenlandic economy
- Summary Q1 2025
- Appendices

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 three subsidiaries in the Faroe Islands:
 - Trygd (non-life insurance)
 - NordikLív (life insurance)
 - Skyn (real estate broker)
- Moody's A1 long-term deposit and issuer rating of the bank was reaffirmed in 2024, 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 a growth potential in the Faroese insurance market.

Presence in the North Atlantic region

Faroe Islands

Loans: DKK 7,874m

Deposits: DKK 9,060m

Market Share: ~40%

Greenland

Loans: DKK 1,398m

Deposits: DKK 1,246m

Market Share: ~20%

Group figures

Loans: DKK 9,272m

Deposits: DKK 10,306m

Net interest and fee income

2024: DKK 421m

Gross Premiums 2024: DKK 176m

Good performance

- Strong operating income in Q1, although net interest income continues to decrease.
- Impairment charges are as expected for Q1 and relate to just a few customers.
- Good return on the investment portfolio, which is stable and primarily placed in bonds and as cash in the Central Bank.
- Satisfactory development in lending and deposit volumes of respectively 2% and 3%.
- Operating cost/income ratio of 55.1% – a bit higher than the 2026 target, but a RoE after tax of 12.6% is within the target.
- Continued strong liquidity and capital position.
- Outlook 2025 maintained: Net profit guidance DKK 210-240m.

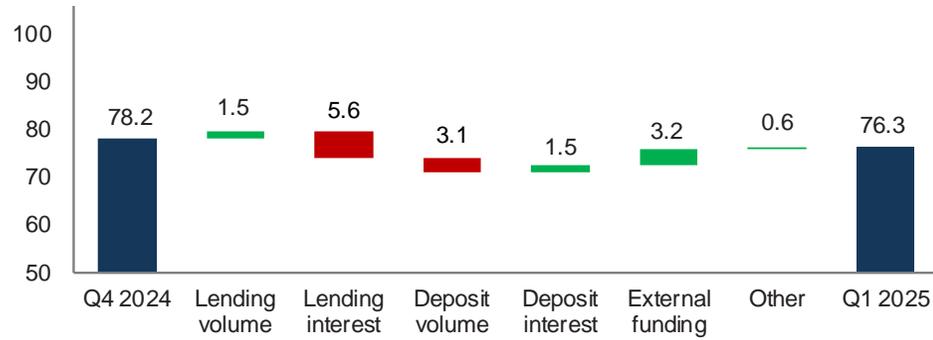
Profit & Loss				
<i>DKK</i> m		Q1 2025	Q4 2024	<i>Index</i>
Net interest income		76	78	98
Net fee and commission income		20	19	103
Net insurance income		16	10	151
Other operating income		13	9	138
Operating income		125	117	106
Operating costs		-69	-72	96
Profit before impairment charges		56	46	123
Net impairment charges on loans		-5	11	-45
Operating profit		51	57	89
Investment portfolio earnings		25	31	81
Profit before tax		76	88	86
Tax		15	15	97
Net profit		61	72	84
Key Metrics				
<i>DKK</i> bn	Target 2026	Q1 2025	Q4 2024	<i>Index</i>
Loans and advances		9.3	9.1	102
Deposits and other debt		10.3	10.0	103
Mortgage credit		2.9	2.7	106
Operating cost / income, %	< 53.0	55.1	61.1	
CET1 capital ratio, %	23.0	23.5	23.8	
RoE after tax (annualised)*, %	> 12.0	12.6	15.8	

*Non-recurring items are excluded in the annualisation

Interest rates decreasing

QoQ changes in net interest income

DKKm



- Net interest income down by DKK 1.9m QoQ and down by DKK 16.1m YoY, primarily due to:
 - Drop in lending rates
 - Increase in deposit volumes

- A further decrease in interest rates will be advantageous for our customers and is expected to improve the customers' credit quality even further.

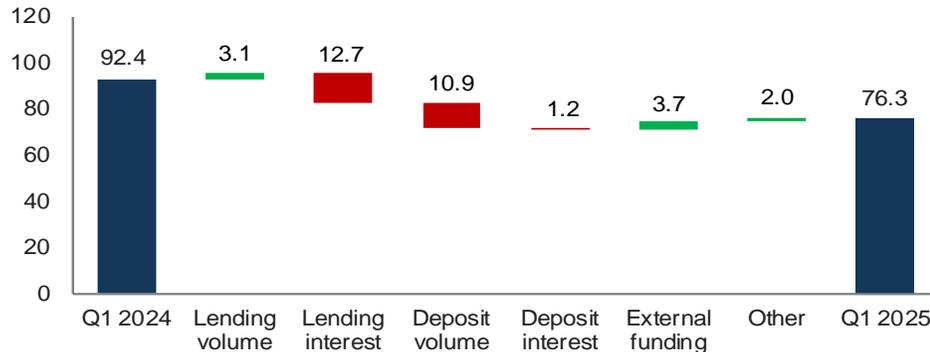
- Satisfactory development in lending and deposit volumes:

- Lending volumes up by 2% QoQ and 4% YoY.
- Deposit volumes up by 3% QoQ and by 15% YoY.

- Sound balance between deposits and lending, leading to a favourable starting point for pursuing our strategic plans towards 2026.

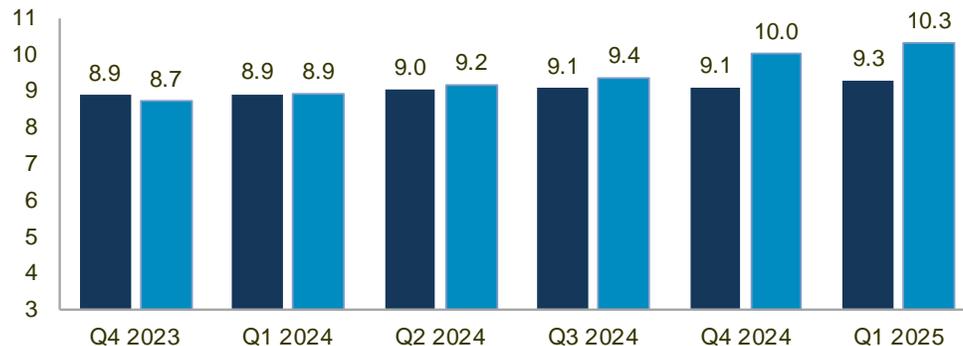
YoY changes in net interest income

DKKm



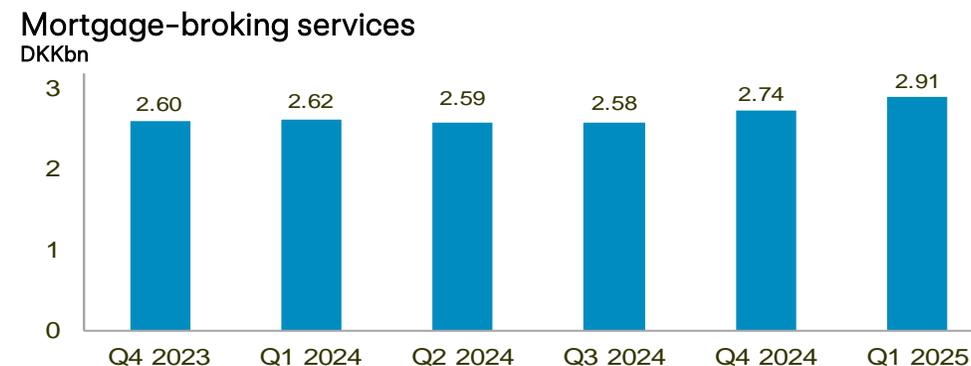
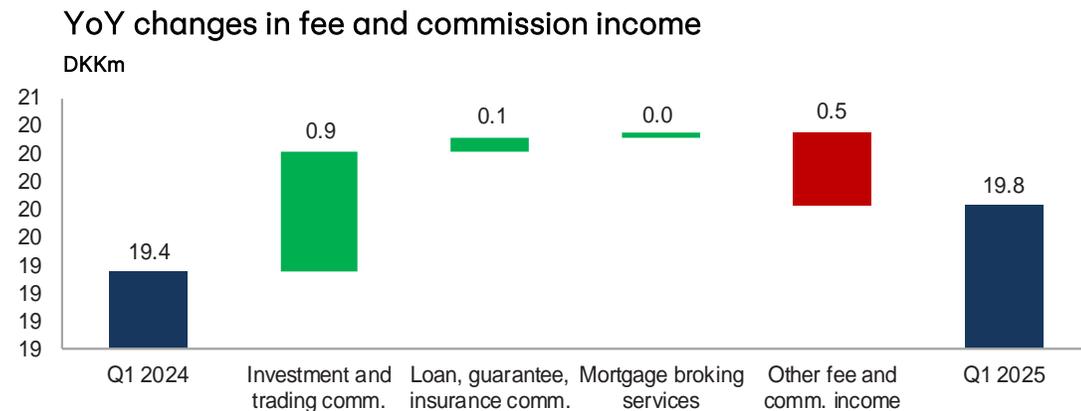
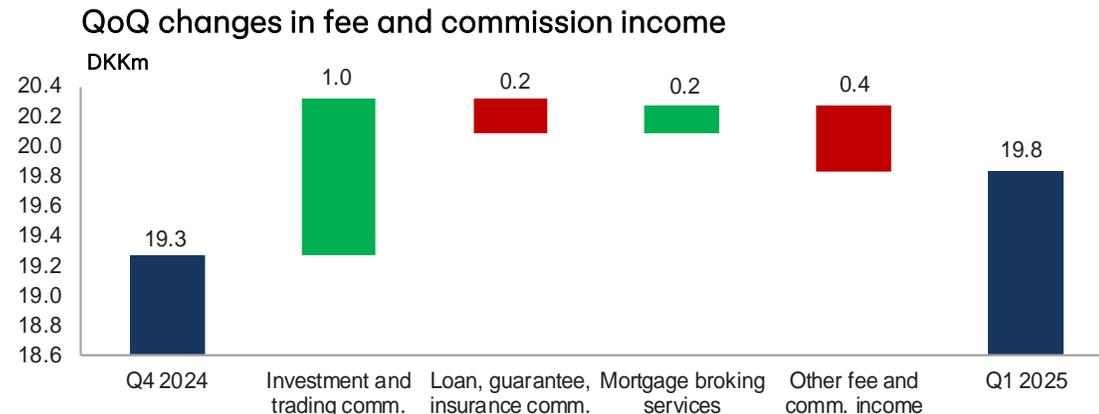
Loans and deposits

DKKbn

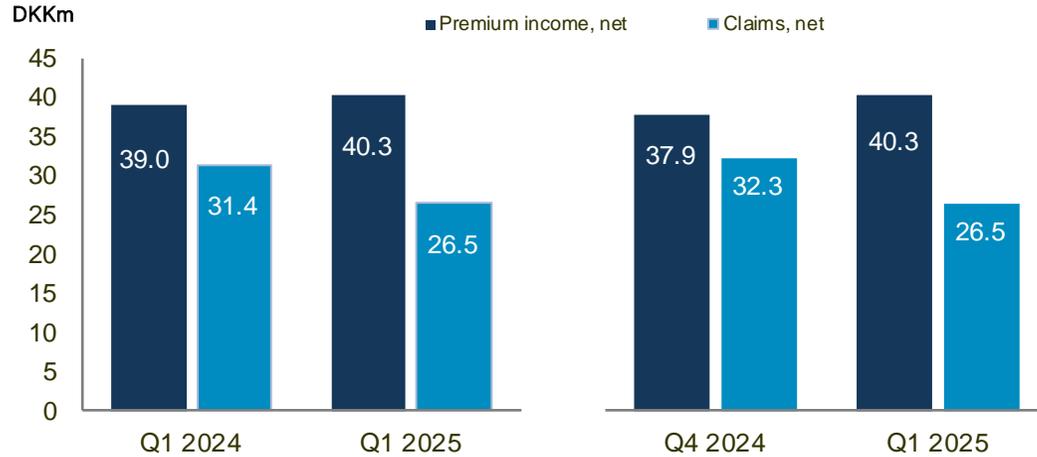


Increased activity in the investment sector

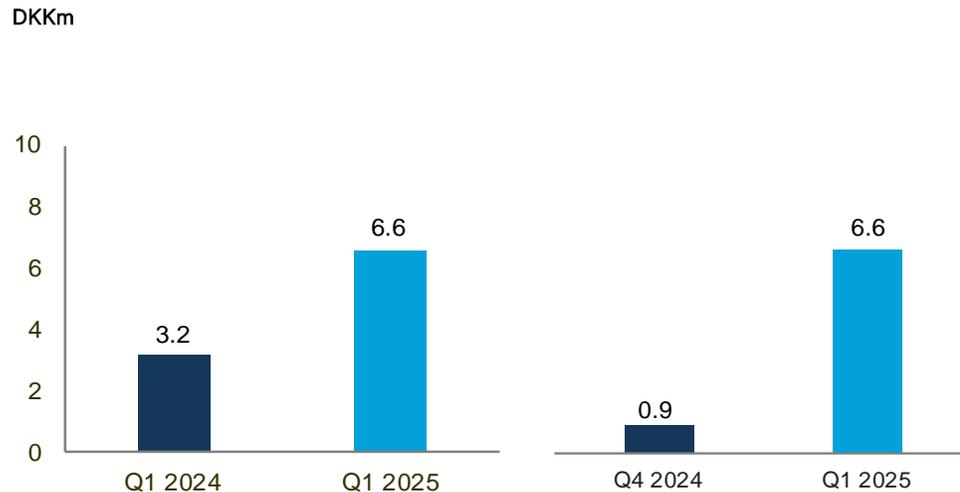
- Fee and commission income up by DKK 0.6m QoQ and up by DKK 0.5m YoY.
- Increase in investment activity during the past year.
- Mortgage broking services up by 6% QoQ and up by 11% YoY:
 - A significant increase in demand for mortgage loans in Greenland and from corporate customers in both countries.
 - We expect a further increase in demand for mortgage broking services in 2025, as the level of interest rates is expected to fall.



Premiums and claims



Profit before tax



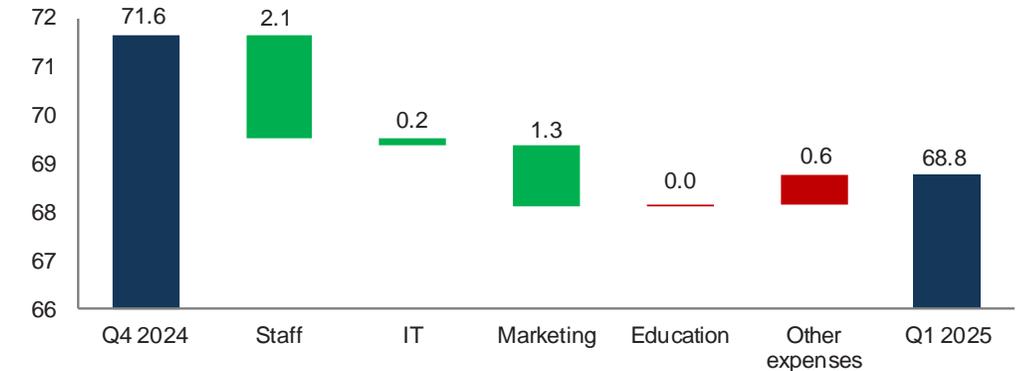
Strong insurance result

- Combined ratio of 86.5% for Q1 2025 compared to 99.3% for Q1 2024 – well below our 2026 target of 88%.
- Insurance premiums grew by 3.3% in 2025 due to price rises and a continued inflow of new customers.
- Fewer insurance claims than expected in Q1 2025 has led to a decrease in claims compared to the same period last year.
- As a result, Trygd's profit before tax has increased by 105% compared to the same period last year.

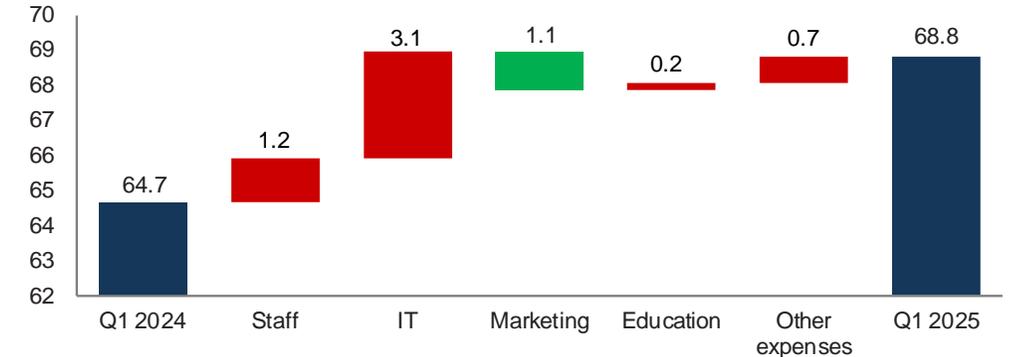
Cost/income ratio of 55.1%

- Total operating costs increased by 6.4% YoY but decreased by 4% QoQ. However, total costs are in line with expectations for this quarter:
 - Decrease in staff costs and marketing costs compared to previous quarter
 - On a YoY basis, IT costs have increased due to increased prices and staff costs have increased due to the yearly salary adjustments.
- End-of-period FTE of 204 – down by 3 FTE compared to Q4 2024.
- Operating costs are under pressure because of a general increase in costs. Focus is still on keeping costs on a low level to improve operational efficiency and to meet the 2026 C/I target.

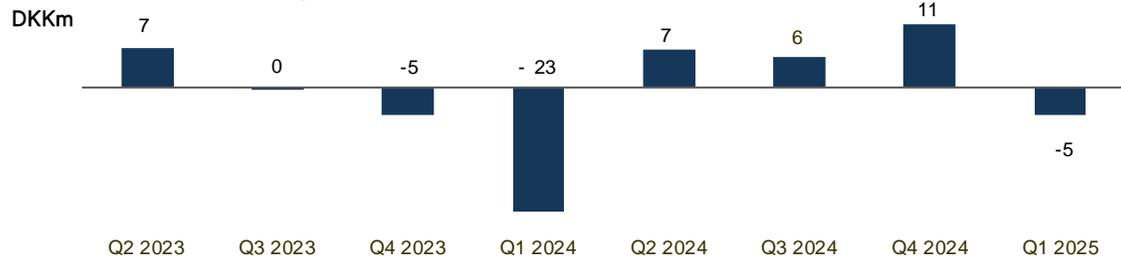
QoQ changes in operating costs
DKKkm



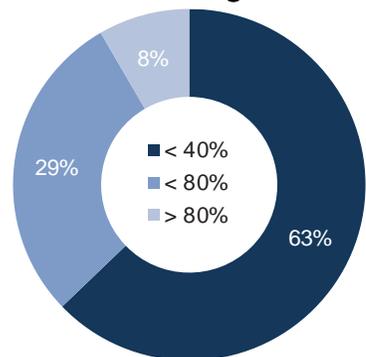
YoY changes in operating costs
DKKkm



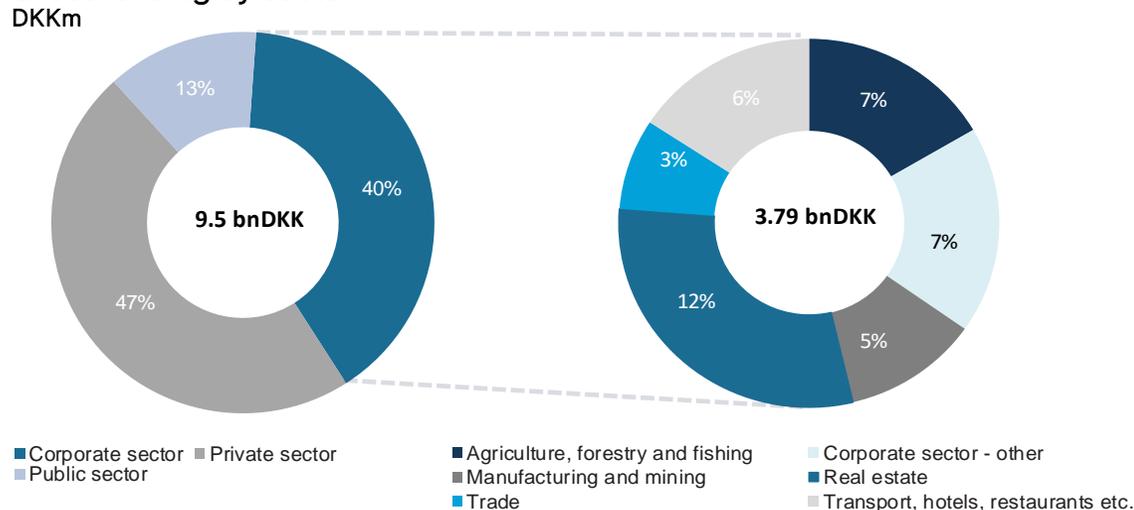
Impairment charges



LTV for housing loans¹



Gross lending by sector



Customers display strong credit robustness in general

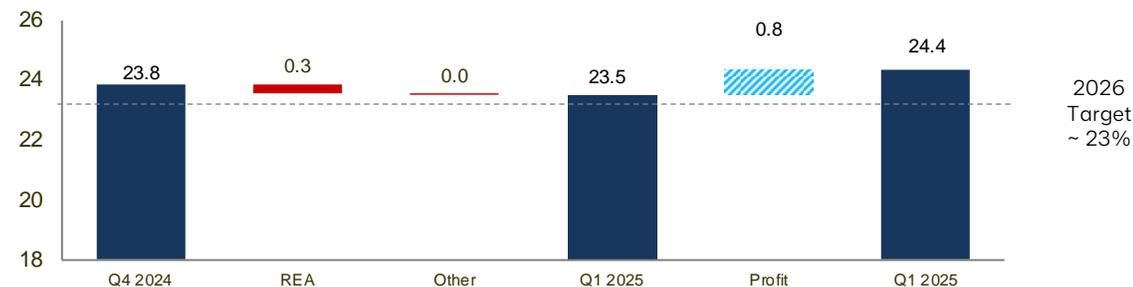
- Impairment charges of DKK 5m in Q1 2025 compared to a reversal of DKK 11m in Q4 2024.
 - Increase in stage 3 impairment charges of 7% QoQ, mainly attributable to a few customers.
- Discretionary management estimate of DKK 101.5m in Q1 2025. Unchanged since previous quarter.
 - Related to general economic uncertainty caused by geopolitical tensions and macroeconomic developments.
- Strong LTV ratios for housing loans. 92% of total housing loans below LTV of 80% and 65% below LTV of 40%.
- Well-diversified corporate customer portfolio for prudent risk diversification across industries.

1) Lending for housing accounts for DKK 4.2bn of total retail lending of DKK 4.5bn

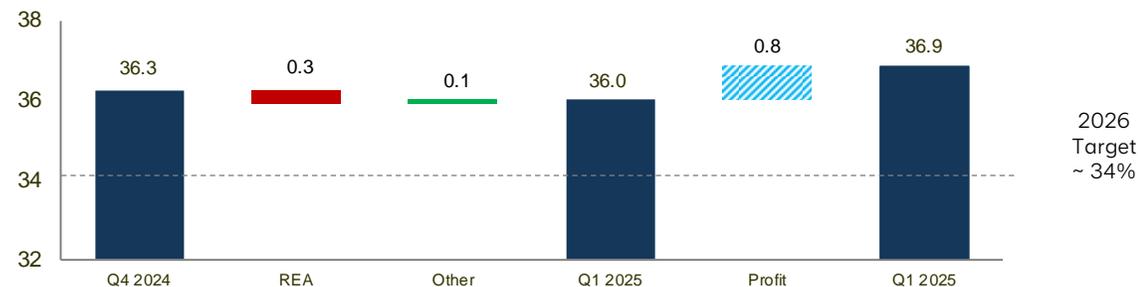
Strong capital and liquidity positions

- REA up by 1.3% over Q4 2024 to DKK 7,271m due to increase in lending volumes.
- The Faroese and Greenlandic authorities have announced an increase in the SIFI capital buffer from 2% to 3% (FO) as of 1 July 2025 and the countercyclical capital buffer from 0% to 1% (GL) as from 2026. The Bank already complies with the higher capital requirements announced by the authorities.
- Liquidity coverage ratio (LCR) of 261.1% and NSFR ratio of 151.0%. Both well above the requirement of 100%.

Changes in CET1 ratio



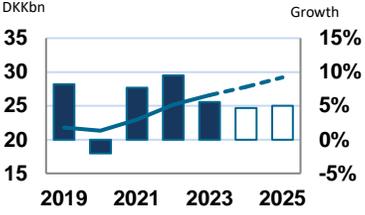
Changes in MREL Capital Ratio



Faroese economic outlook

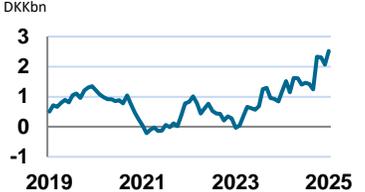
Strong and growing economy, but an ageing population raises concerns regarding fiscal stability.

Strong economy



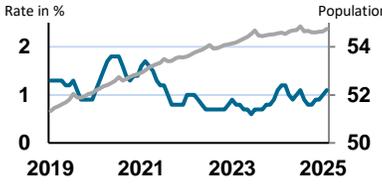
GDP & Inflation

- Economic growth expected to continue. Outlook for 2025: 5.0% p.a. (nominal prices)
- Inflation has decreased steadily after Covid – in Feb'25 it stood at 1.3% p.a.



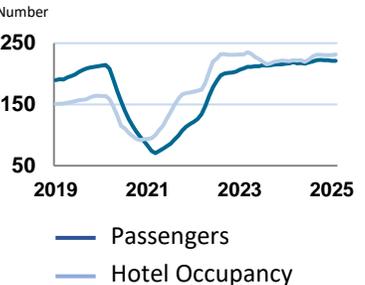
Positive Trade Balance

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



Low unemployment and population growth

- Unemployment rate remains low, standing at 1.1% in February 2025
- Population at all-time high, but growth rate has slowed significantly



Tourism rebounding

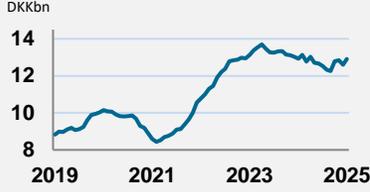
- Record number of passengers flying through Vágar Airport and record number of hotel nights in 2024
- Contribution to economy growing rapidly

Downside risks



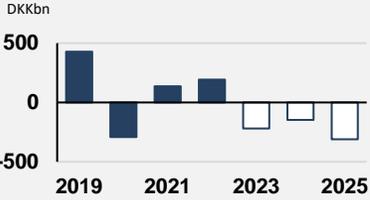
Restrictions on trade

- The US has introduced historically high import tariffs, ranging from 10% to 54%. International trade will be negatively impacted, which is especially detrimental to small, open economies.



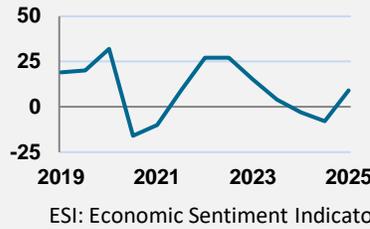
Exports

- In 2024, exports fell by 8.1% compared to the peak export value in 2023 at DKK 12.5bn (Jan-Dec) due to lower catch volumes.



Long-term fiscal stability

- Significant deficits ought not to occur in a period when the economy is firing on all cylinders. The Faroes are facing long-term challenges (pensions) due to an ageing population.



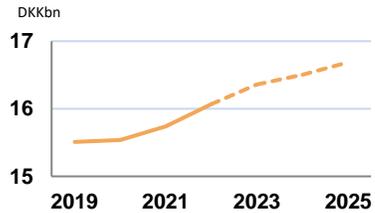
Business confidence (ESI)

- Overall confidence has increased, with especially the service sector registering a significant increase, and retail confidence is also rising. Construction confidence, however, is dipping.

Greenlandic economic outlook

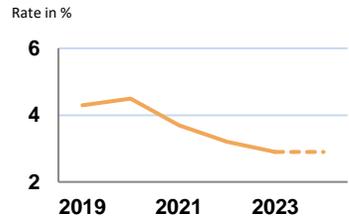
Moderate economic growth, new airport opened in Nuuk, but structural challenges remain.

Moderate growth momentum



GDP

- Continued economic growth, but at a lower rate (2024 est. 0.9% (real))
- Stabilised by Danish block grant, which constitutes around a quarter of GDP



Decreasing unemployment

- Unemployment is historically low at less than 3%
- Very tight labour market in large towns and for skilled labour

Airport capacity

- Nuuk airport opened in November 2024 and two more airports under construction
- New international flights to Nuuk (New York & Reykjavik) are likely to have a material effect on the tourist industry



Extraordinary Circumstances

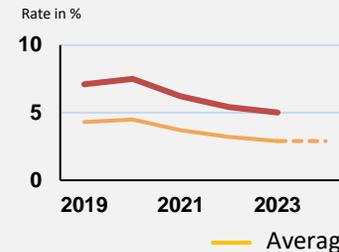
- President Trump has stated on numerous occasions his wish to 'take over' Greenland from Denmark.
- Uncertain how this could impact the economy

Downside risks and structural challenges



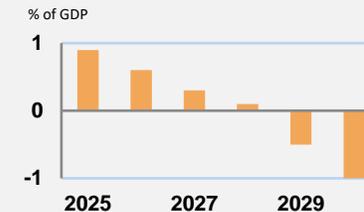
Export

- Record strong exports in 2023, but marginally lower in 2024 (-13%)
- Balance of trade remains negative, but reduced compared to previous years



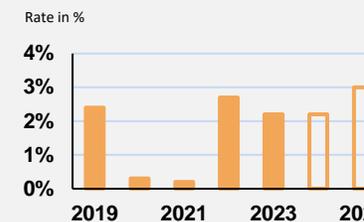
Structural challenges

- 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

- Inflation has been relatively low in Greenland and is expected to increase to 3.0% in 2025

Q1 in summary

- Solid performance, although interest rates continue to decrease
- Strong development in our core business – better than expected growth in lending, deposits and mortgage credit
- Reasonable impairment level – general customer credit robustness
- Prudent allocation of the investment portfolio
- Continued strong liquidity and capital positions



Questions?

Appendices

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

Group

Strong development in our core business despite a decline in interest income.

DKKm	Q1 2025	Q1 2024	Index	Q1 2025	Q4 2024	Index	Q3 2024	Q2 2024	Q1 2024
Net interest income	76	92	83	76	78	98	87	90	92
Net fee and commission income	20	19	102	20	19	103	18	17	19
Net insurance income	16	12	131	16	10	151	20	15	12
Other operating income (less reclassification)	13	11	117	13	9	138	10	10	11
Total operating income	125	135	93	125	117	106	135	132	135
Operating costs ¹	-69	-65	106	-69	-72	96	-69	-68	-65
Profit before impairment charges	56	70	80	56	46	123	66	63	70
Impairment charges, net	-5	-23	22	-5	11	-45	6	7	-23
Operating profit	51	47	107	51	57	89	72	70	47
Investment portfolio earnings ³	25	23	109	25	31	81	48	35	23
Profit before tax	76	70	108	76	88	86	119	105	70
Operating costs/income, %	55	48		55	61		51	52	48
Number of FTE, end of period	204	209	98	204	207	98	206	209	209

1 Comprises staff costs, administrative expenses and amortisation, sector costs, depreciation and impairment charges (less reclassification to non-recurring items).

2 Reclassified from Staff costs and administrative expenses.

3 Incl. net income from investments accounted for under the equity method (excl. sector shares).

Banking

Satisfactory increase in lending, deposit volumes and mortgage credit.

DKKm	Q1 2025	Q1 2024	Index	Q1 2025	Q4 2024	Index	Q3 2024	Q2 2024	Q1 2024
Net interest income	76	92	83	76	78	98	87	90	92
Net fee and commission income	24	23	103	24	23	103	22	21	23
Other operating income	11	10	110	11	9	122	9	9	10
Total operating income	111	125	89	111	110	101	118	120	125
Operating costs	-63	-59	107	-63	-67	95	-63	-61.607	-58.919
Profit before impairment charges	48	66	72	48	44	109	55	58	66
Impairment charges, net	-5	-23	22	-5	11	-45	6	7	-23
Operating profit	43	44	98	43	55	77	61	65	44
Investment portfolio earnings	25	19	131	25	29	87	43	33	19
Profit before tax	68	63	108	68	84	81	104	97	63
Loans and advances	9,272	8,915	104	9,272	9,086	102	9,072	9,023	8,915
Deposits and other debt	10,306	8,930	115	10,306	10,007	103	9,359	9,180	8,930
Mortgage credit	2,906	2,621	111	2,906	2,741	106	2,579	2,585	2,621
Operating costs/income, %	57	47		57	60		53	52	47
Number of FTE, end of period	174	178	98	174	177	98	175	178	178

Personal Banking

The decrease in interest rates as well as an increase in deposit volumes have had a negative impact on total operating income, partly offset by increased lending.

DKKm	Q1 2025	Q1 2024	Index	Q1 2025	Q4 2024	Index	Q3 2024	Q2 2024	Q1 2024
Net interest income	37	49	76	37	40	93	46	47	49
Net fee and commission income	18	18	101	18	18	101	17	16	18
Other operating income	6	5	116	6	6	97	11	6	5
Total operating income	61	72	85	61	64	96	75	69	72
Operating costs	-52	-48	108	-52	-55	93	-52	-51	-48
Profit before impairment charges	10	24	40	10	9	112	23	18	24
Impairment charges, net	-3	6	48	-3	2	-160	8	-4	6
Operating profit	7	30	23	7	10	67	31	13	30
Investment portfolio earnings	13	10	135	13	15	88	23	17	10
Profit before tax	20	40	51	20	26	79	54	30	40
Loans and advances	4,418	4,124	107	4,418	4,373	101	4,298	4,202	4,124
Deposits and other debt	6,505	5,788	112	6,505	6,228	104	6,161	6,161	5,788
Mortgage credit	2,169	2,191	99	2,169	2,175	100	2,160	2,174	2,191
Number of FTE, end of period	76	79	97	76	79	97	77	80	79

Corporate Banking

A significant increase in corporate mortgage loans, primarily in Greenland.

DKKm	Q1 2025	Q1 2024	Index	Q1 2025	Q4 2024	Index	Q3 2024	Q2 2024	Q1 2024
Net interest income	39	43	90	39	38	102	40	43	43
Net fee and commission income	6	5	110	6	6	108	5	5	5
Other operating income	4	4	104	4	2	191	-2	3	4
Total operating income	49	53	93	49	46	107	44	51	53
Operating costs	-11	-11	104	-11	-11	104	-11	-11	-11
Profit before impairment charges	38	42	90	38	35	109	33	40	42
Impairment charges, net	-2	-29	8	-2	10	-24	-2	11	-29
Operating profit	36	13	265	36	45	80	-2	11	13
Investment portfolio earnings	12	9	127	12	14	86	20	16	9
Profit before tax	47	23	209	47	58	81	50	67	23
Loans and advances	4,855	4,791	101	4,855	4,713	103	4,774	4,821	4,791
Deposits and other debt	3,802	3,143	121	3,802	3,779	101	3,198	3,019	3,143
Mortgage credit	736	430	171	736	565	130	419	411	430
Number of FTE, end of period	15	15	99	15	15	99	15	15	15

Banking – Faroe Islands

Solid increase in both deposit and lending volumes, while mortgage credit down slightly.

DKKm	Q1 2025	Q1 2024	Index	Q1 2025	Q4 2024	Index	Q3 2024	Q2 2024	Q1 2024
Net interest income	66	76	87	66	66	100	73	74	76
Net fee and commission income	20	19	104	20	20	100	18	18	19
Other operating income	10	9	111	10	8	122	6	9	9
Total Operating income	96	104	92	96	94	102	97	101	104
Operating costs	-52	-50	105	-52	-55	95	-53	-53	-50
Profit before impairment charges	43	54	80	43	39	111	44	48	54
Impairment charges, net	-8	15	54	-8	-3	249	-3	2	15
Operating profit	35	70	50	35	36	98	41	51	70
Investment portfolio earnings	20	14	138	20	23	87	33	24	14
Profit before tax	55	84	65	55	58	94	74	75	84
Loans and advances	7,874	7,433	106	7,874	7,658	103	7,580	7,515	7,433
Deposits and other debt	9,060	7,775	117	9,060	8,604	105	8,291	7,975	7,775
Mortgage credit	1,701	1,638	104	1,701	1,718	99	1,571	1,609	1,638
Operating costs/income, %	55	48		55	60		54	53	48
Number of FTE, end of period	156	159	98	156	158	98	158	159	159

Banking – Greenland

The decrease in bank loans is offset by the significant increase in mortgage loans. The decrease in deposits can be referred to a few customers.

DKKm	Q1 2025	Q1 2024	Index	Q1 2025	Q4 2024	Index	Q3 2024	Q2 2024	Q1 2024
Net interest income	11	17	65	11	12	86	14	15	17
Net fee and commission income	4	4	99	4	3	119	4	3	4
Other operating income	0	0	101	0	0	126	3	0	0
Total operating income	15	21	72	15	16	93	21	18	21
Operating costs	-11	-9	122	-11	-12	93	-9	-9	-9
Profit before impairment charges	4	12	35	4	5	94	12	9	12
Impairment charges	3	-38	9	3	15	22	8	5	-38
Operating profit	8	-26	29	8	19	39	20	14	-26
Investment portfolio earnings	5	5	110	5	6	87	10	8	5
Profit before tax	13	-21	61	13	25	51	30	22	-21
Loans and advances	1,398	1,482	94	1,398	1,428	98	1,492	1,508	1,482
Deposits and other debt	1,246	1,155	108	1,246	1,403	89	1,067	1,205	1,155
Mortgage credit	1,205	983	123	1,205	1,022	118	1,009	977	983
Operating costs/income, %	72	40		72	64		47	43	40
Number of FTE, end of period	18	19	95	18	18	100	17	19	19

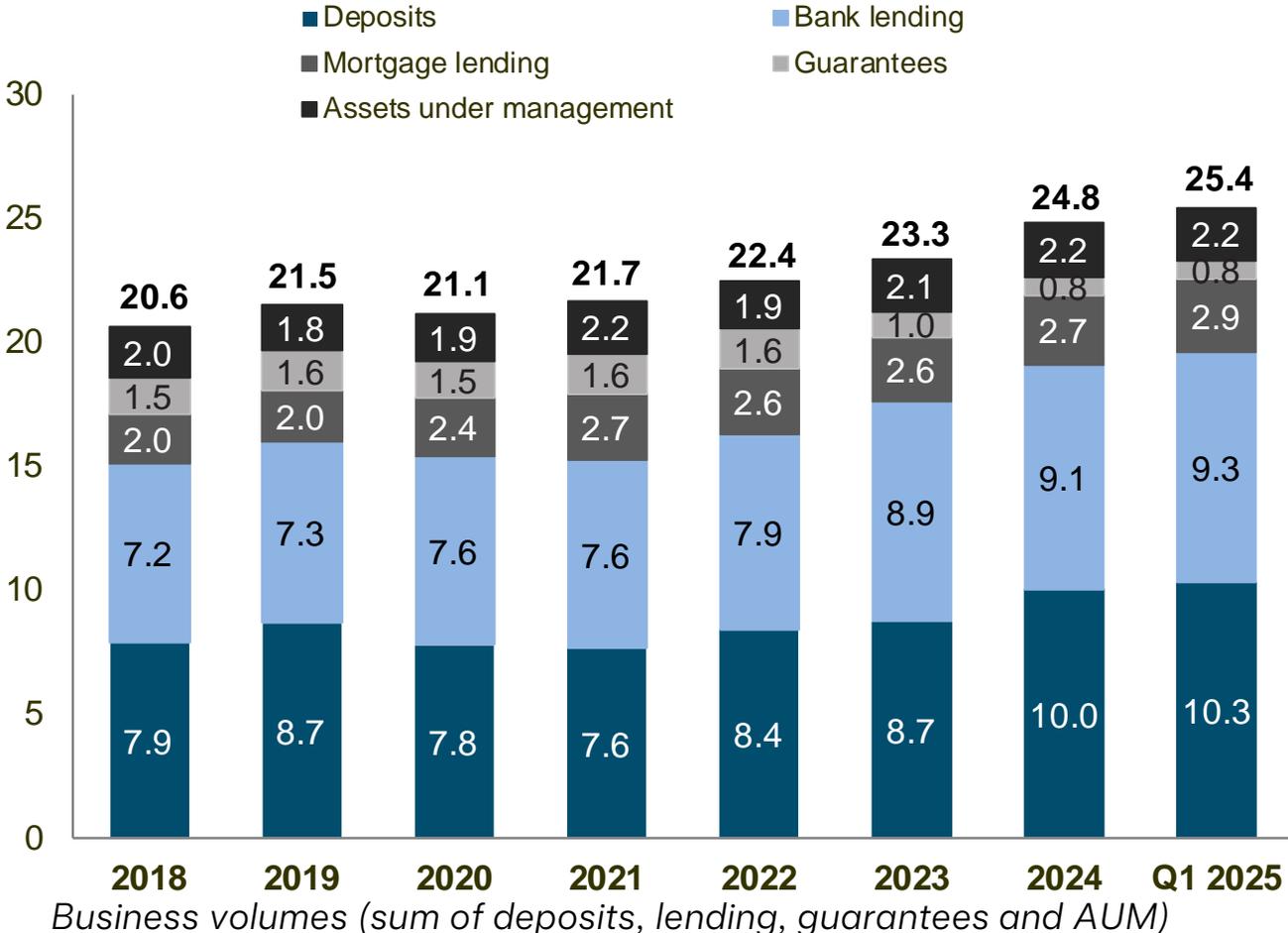
Trygd

Strong results due to improvement in premium income and fewer claims in Q1 2025.

DKKm	Q1 2025	Q1 2024	Index	Q1 2025	Q4 2024	Index	Q3 2024	Q2 2024	Q1 2024
Premium income, net of reinsurance	40	39	103	40	38	106	40	40	39
Claims, net of reinsurance	-27	-31	84	-27	-32	82	-22	-29	-31
Net insurance income	14	8	182	14	6	247	18	11	8
Net income from investment activities	0	3	2	0	2	3	4	2	3
Operating income	14	11	127	14	7	191	21	13	11
Operating costs	-7	-8	95	-7	-6	114	-7	-8	-8
Profit before tax	7	3	205	7	1	758	14	5	3
Combined ratio	87	99		87	102		74	93	99
Claims ratio	66	81		66	85		55	73	81
Number of FTE, end of period	23	23	100	23	23	100	23	23	23

Developments in business volumes

The business volume at the end of Q1 2025 is DKK 25.4bn, which is 7.4% higher than same period last year.



Credit quality of the loan portfolio

General improvement in credit quality.

	Q1 2024	Q1 2025	change
Portfolio without weakness	6,835	8,140	1,305
Portfolio with some weakness	4,291	3,778	-514
Portfolio with weakness	591	319	-272
- of which unsecured	63	12	-51
- impairments	11	6	-5
Portfolio with OIE	304	349	45
- of which unsecured	91	87	-4
- impairments	57	44	-13
Portfolio w/o individual classification	31	38	7
Total	12,052	12,623	571

Total loan portfolio (gross exposure) includes

- Loans and advances
- Credits
- Unused credits
- Guarantees

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