

Increased activity and satisfactory results in H1

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Company Announcement no. 10/2025

“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.

Highlights of Føroya Banki’s interim report for H1 2025

Highlights and ratios									
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
Operating income	279	266	105	154	125	124	117	135	132
Operating costs	137	133	103	68	69	99	72	69	68
Profit before impairment charges	142	133	106	86	56	154	46	66	63
Impairment charges, net	7	16	43	2	5	34	-11	-6	-7
Operating profit	135	118	115	84	51	166	57	72	70
Non-recurring items	0	0		0	0		0	0	0
Profit before investment portfolio earnings and tax	135	118	115	84	51	166	57	72	70
Investment portfolio earnings	55	58	95	30	25	122	31	48	35
Profit before tax	190	175	108	115	76	151	88	119	105
Tax	36	33	108	21	15	146	15	23	18

Net profit	154	142	108	93	61	153	72	96	87
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
Equity	1.881	1.909	99	1.881	1.788	105	2.076	2.004	1.909
Total capital ratio, incl. MREL capital, %	35,9	40,8		35,9	36,0		36,3	37,9	40,8
CET 1 capital, %	22,7	25,6		22,7	23,5		23,8	25,1	25,6
ROE, %	15,6	15,1		20,3	12,6		14,2	19,6	18,6
ROE, excl. one-offs, %	15,6	15,1		20,3	12,6		14,2	19,6	18,6
Liquidity Coverage Ratio (LCR), %	259,7	285,6		259,7	261,1		337,4	302,2	285,6
Operating cost/income, %	49	50		44	55		61	51	52
Number of FTE, end of period	199	209	96	199	204	98	207	206	209

Business developments

Overall, the second quarter was characterised by business growth, reflected in a 5% increase in lending, a 1% increase in deposits and stable mortgage lending activity compared to Q1 2025. The increase in lending was driven by an increase in lending to corporate customers in the Faroe Islands and in Greenland. The increase in deposits was mainly attributable to the personal banking segment in Greenland.

Capital ratios

At 30 June 2025, the Group had a CET 1 capital ratio of 22.7%, against 23.8% at 31 December 2024. The total capital ratio including MREL was 35.9% at 30 June 2025 against 36.3% at 31 December 2024. The reduction in the CET1 capital ratio was mainly due to growth in risk-weighted assets, as a result of the Bank's loan portfolio having increased by approximately DKK 600m since the end of 2024.

The net profit of DKK 154.0m for H1 2025 is not included in the calculation of capital ratios. If the net profit had been included, the CET1 capital ratio would have been 24.7%, and the total capital ratio including MREL would have been 38.0%.

Guidance for 2025

On 28 January, Føroya Banki announced expectations of a net profit for 2025 in the DKK 210-240m range. Subsequently, on 15 July 2025, the Bank revised its net profit guidance upwards to a range of DKK 235-265m. The guidance is subject to uncertainty related to interest rate developments, adverse consequences of the geopolitical unrest and the risk of intensified trade war.

Føroya Banki has banking activities in Greenland and the Faroe Islands and insurance activities in the Faroe Islands. Founded in the Faroe Islands more than a century ago, the Group has total assets of DKK 14.6bn and 199 employees. The Bank is subject to the supervision of the Danish Financial Supervisory Authority and is listed on Nasdaq Copenhagen.

Further details are available in the H1 2025 interim report.

For further information, please call:

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Attachments

- [Interim Report H1 2025.pdf](#)
- [Q2 2025 Investor Presentation.pdf](#)