

Føroya Banki

**Interim
Report
Q3 2024**

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Financial Review

“The positive trends from the first half continued in the third quarter, resulting in a satisfactory profit of DKK 119m before tax, which was a 13% improvement on the preceding quarter. The solid core operations were supported by a favourable interest rate environment and a thriving business with growth in both lending and deposit volumes and higher insurance income. Costs were maintained at the same level as in the previous quarter and were in line with the original guidance for the year. In the period, we also saw an outstanding investment portfolio return and reversal of impairment charges that reflected our customers’ sound credit quality,” says Føroya Banki CEO Turið F. Arge.

Q3 2024 Highlights

Adjusted Income statement, Group

DKKm	Q3 2024	Q2 2024	Index	Q1 2024	Q4 2023	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Index
Net interest income	87	90	97	92	100	96	269	260	103
Net fee and commission income	18	17	106	19	17	19	54	60	92
Net insurance income	20	15	133	12	12	24	46	48	97
Other operating income (less reclassification)	10	10	101	11	4	9	32	28	113
Operating income	135	132	102	135	133	148	401	395	102
Operating costs ¹	-68	-68	101	-64	-65	-65	-200	-192	104
Sector costs	0	0	100	0	0	0	-1	-1	91
Profit before impairment charges	66	63	104	70	68	83	200	202	99
Impairment charges, net	6	7	83	-23	-5	0	-10	15	68
Operating profit	72	70	102	47	62	82	189	217	87
Non-recurring items ²	0	0		0	0	0	0	-9	
Profit before investment portfolio earnings and tax	72	70	102	47	62	82	189	208	91
Investment portfolio earnings ³	48	35	135	23	46	26	106	63	169
Profit before tax	119	105	113	70	109	108	295	271	109
Operating cost/income, %	51	52		48	49	44	50	49	
Number of FTE, end of period	206	209	99	209	207	207	206	207	99

1 Comprises staff costs, administrative expenses and amortisation, 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).

Income statement

The following comments are generally stated relative to Q2 2024. Due to seasonal variations, comments provided on the insurance segment relate to Q3 2023.

Operating income

The Føroya Banki Group generated operating income of DKK 135m in Q3 2024, DKK 3m higher than in the previous quarter, driven by net insurance income outweighing a slight fall in net interest income.

Net interest income

Net interest income was DKK 87m in Q3 2024, a decrease of DKK 3m compared to Q2 2024 that was mainly due to interest rates being lowered for most of the Bank’s lending portfolio in July.

Net fee and commission income

Net fee and commission income amounted to DKK 18m in Q3 2024, DKK 1m higher than in Q2 2024.

Net insurance income

Net insurance income was DKK 20m in Q3 2024, DKK 4m less than in Q3 2023. The main reason for the

difference was claims being lower in Q3 2023.

Operating and sector costs

Operating costs amounted to DKK 68m in Q3 2024, flat relative to Q2 2024.

Profit before impairment charges

Profit before impairment charges was DKK 66m in Q3 2024 compared to DKK 63m in Q2 2024.

Impairment charges

Net impairment amounted to a reversal of DKK 6m in Q3 2024 compared to a reversal of DKK 7m in Q2 2024. 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 93m in Q3 2024.

Operating profit

The resulting operating profit was DKK 72m in Q3 2024, a slight increase over the DKK 70m seen in Q2 2024.

Non-recurring items

Non-recurring items amounted to DKK 0m in Q3 2024, the same as in Q2 2024.

Investment portfolio earnings

Investment portfolio earnings amounted to DKK 48m in Q3 2024, up from DKK 35m in Q2 2024. The main reasons for the increase was favourable market conditions for the Bank's bond portfolio in Q3 2024 compared to Q2 2024.

Profit before tax

Profit before tax in Q3 2024 was DKK 119m, DKK 14m higher than the pre-tax profit of DKK 105m reported for Q2 2024.

Profit before tax for the first nine months of the year totalled DKK 295m, a DKK 24m increase over the DKK 271m recorded for same period in 2023. The Bank is pleased that a driver behind the increase was that operating income increased by DKK 6m from Q1-Q3 2023 to Q1-Q3 2024. The most significant difference between the two periods was investment portfolio earnings, which were DKK 43m higher in the first nine months of 2024 compared to the same period in 2023. There was also a DKK 25m difference in impairments, with impairment charges totalling DKK 10m in the first three quarters of 2024 compared to a reversal of DKK 15m in Q1-Q3 of 2023.

Balance sheet

Føroya Banki's total assets at 30 September 2024 amounted to DKK 14.1bn, up by DKK 1.1bn compared to 31 December 2023. Loans and advances were DKK 9.1bn, DKK 189m higher than at 31 December 2023. Deposits were DKK 9.4bn, up by DKK 651m compared to 31 December 2023. Liquidity invested in Danish mortgage bonds and Danish government bonds amounted to DKK 1.3bn, a decrease of DKK 48m compared to 31 December 2023. Liquidity invested in equities amounted to DKK 278m, a decrease of DKK 2m relative to 31 December 2023. Shareholders' equity at 30 September 2024 amounted to DKK 2,004m, up by DKK 153m, net compared to 31 December 2023 due to the payment of dividend in the amount of DKK 80m.

Capital and Liquidity

At 30 September 2024, the Group's CET1 capital ratio was 25.1%, the Tier 1 capital ratio was 25.1% and the Total capital ratio was 26.5%. The Total capital ratio, incl. MREL capital, was 37.9%. The net profit for the Q1-Q3 2024 period, amounting to DKK 238.1m, is not included in the calculation of the capital ratios. Furthermore, the Group repaid hybrid capital amounting to DKK 150m at the end of September 2024 resulting in a decline in the Tier 1 and the Total capital ratios compared to 31 December 2023. The Group's liquidity indicator was 266.4% on 30 September 2024, well above the requirement of 100%. The Group's LCR at 30 September 2024 was 302.2%, also well above the requirement of 100%. The Group's Net Stable Funding Ratio (NSFR) was 156.6% at 30 September 2024, well above the requirement of 100%.

On 30 August, the Bank introduced its new strategy for the period leading up to 2026. The Bank will continue its efforts to maintain its strong market position in the Faroe Islands and to consolidate its role as a significant player in the Faroese insurance market. The Bank also maintains its ambition to be an even more significant financial partner for customers in Greenland.

Financial targets have been updated for 2026, as growth in business volume is to contribute to realising higher income. The cost/income ratio must be maintained at a stable and low level, and capital optimisation is intended to support the services provided to large business customers.

- Return on equity: >12% based on a common equity tier 1 capital ratio of 23%
- Cost/income ratio (%): <53%
- CET1: Around 23%

Furthermore, the focus must be on continued endeavours to generate a stable return for the Bank's shareholders. The Bank therefore maintains its ambition to pay dividends of 70% of the profit for the year.

Faroese authorities have announced that as of 1 July 2025, the systemic buffer on the Faroe Islands will increase from 2% to 3%. The buffer requirement will only affect Faroese exposures. Greenlandic authorities have announced the activation of the counter cyclical buffer, which at 1 January 2026 will be 0.5% rising to 1% at 1 July 2026. This buffer requirement will only affect the Bank's Greenlandic exposures. The announced increases of the systemic buffer on the Faroe Islands and the counter cyclical buffer in Greenland are included in the financial objectives mentioned above.

Compliance with the Danish FSA Supervisory Diamond

The Supervisory Diamond			
	Q3 2024	Q3 2023	FSA limit
Sum of large exposures	146.7%	157.8%	< 175%
Liquidity indicator	266.4%	199.0%	>100 %
Loan growth	3.2%	8.7%	< 20 %
Property exposure	12.1%	13.3%	< 25 %

At 30 September 2024, the Group was in compliance with all Supervisory Diamond requirements set by the FSA.

Events after the balance sheet date

No events have occurred since 30 September 2024 that are deemed to have a significant impact on the Group's financial position.

Guidance for 2024

On 18 October 2024, Føroya Banki announced an upwards revision to its financial guidance for 2024. The original guidance for the year was for a net profit in the DKK 225-255m range. This range was revised to DKK 250-280m on 19 August 2024 and again in October to DKK 275-300m. The second revision was due to an improved outlook for core operations with growth in both lending and deposit volumes as well as solid investment portfolio returns. Furthermore, the credit quality of the Bank's customers continues to be sound, reflected in a reasonable level of impairments.

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

Adjusted results

Note	Adjusted Income statement Q1-Q3 2024, Group, DKK 1,000	Income statement	Restatement	Restated income statement
1, 5	Net interest income	339,232	-70,551	268,681
2, 6	Net fee and commission income	70,234	-15,735	54,499
5, 7, 8	Net insurance income	40,284	6,051	46,335
2, 4	Other operating income	7,806	23,990	31,796
	Operating income	457,556	-56,245	401,311
3, 6, 7	Operating costs	188,985	11,504	200,488
	Sector costs	1,186	0	1,186
	Profit before impairment charges	267,385	-67,749	199,636
	Impairment charges	10,328	0	10,328
	Operating profit	257,057	-67,749	189,308
3	Non-recurring items	0	0	0
	Profit before investment portfolio earnings and tax	257,057	-67,749	189,308
1, 4, 8	Investment portfolio earnings	37,896	67,749	105,645
	Profit before tax	294,953	0	294,953
Note Adjusted Income statement Q1-Q3 2023, Group, DKK 1,000				
1, 5	Net interest income	307,451	-47,494	259,956
2, 6	Net fee and commission income	65,628	-6,115	59,513
5, 7, 8	Net insurance income	35,937	11,679	47,616
2, 4	Other operating income	4,887	23,282	28,169
	Operating income	413,902	-18,649	395,253
3, 6, 7	Operating costs	185,189	7,036	192,225
	Sector costs	1,309	0	1,309
	Profit before impairment charges	227,404	-25,685	201,719
	Impairment charges	-15,128	0	-15,128
	Operating profit	242,532	-25,685	216,847
3	Non-recurring items	0	-8,928	-8,928
	Profit before investment portfolio earnings and tax	242,532	-34,613	207,919
1, 4, 8	Investment portfolio earnings	28,002	34,613	62,615
	Profit before tax	270,534	0	270,534
Note Restatements made to the income statement, DKK 1,000				
		Q1-Q3 2024	Q1-Q3 2023	
1	Reclassification of interest income related to bonds from the item Interest income to Investment portfolio earnings.	72,615	49,458	
2	Dividends and fees reclassified from Net fee and commission income to Other operating income.	12,292	6,227	
3	Reclassification of severance costs to Non-recurring items.	0	8,928	
4	Reclassification of value adjustments related to sector shares and of profit or loss from currency transactions to Other operating income.	11,698	17,055	
5	Reclassification of interest income from Net insurance income to Net interest income due to implementation of IFRS 17	2,064	1,964	
6	Reclassification from Net fee and commission income to Operation costs due to implementation of IFRS 17	3,443	112	
7	Reclassification of operating costs from Net insurance income to Operating costs due to implementation of IFRS 17	17,104	13,068	
8	Reclassification of market value adjustments from net insurance income to Investment portfolio earnings due to implementation of IFRS 17	8,989	2,211	

Segments

Reference is made 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 about these two segments are provided on the following pages. The last page of the segment section sets out performance of the Bank's subsidiary Trygd.

Adjusted Income statement, Banking

DKKm	Q3 2024	Q2 2024	Index	Q1 2024	Q4 2023	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Index
Net interest income	87	90	97	92	100	96	269	260	103
Net fee and commission income	22	21	105	23	21	23	66	71	94
Other operating income	9	9	105	10	3	8	28	25	112
Operating income	118	120	99	125	124	127	363	356	102
Operating cost	-62	-61	102	-58	-59	-59	-182	-175	104
Sector costs	0	0	100	0	0	0	-1	-1	91
Profit before impairment charges	55	58	96	66	65	68	180	180	100
Impairment charges, net	6	7	83	-23	-5	0	-10	15	68
Operating profit	61	65	94	44	59	68	169	195	87
Non-recurring items	0	0		0	0	0	0	-9	
Profit before investment portfolio earnings and tax	61	65	94	44	59	68	169	186	91
Investment portfolio earnings	43	33	132	19	42	24	95	58	162
Profit before tax	104	97	107	63	102	92	264	244	108
Loans and advances	9,072	9,023	101	8,915	8,883	8,790	9,072	8,790	103
Deposits and other debt	9,359	9,180	102	8,930	8,710	8,602	9,359	8,602	109
Mortgage credit	2,579	2,585	100	2,621	2,599	2,615	2,579	2,615	99
Operating cost/income, %	53	51		47	47	46	50	49	
Number of FTE, end of period	175	178	98	178	176	176	175	176	99

Personal Banking

The Personal Banking segment reported operating income of DKK 75m in Q3 2024, DKK 2m less than in Q2 2024. Net interest income was DKK 54m in Q3 2024, down DKK 1m compared to Q2 2024 due to interest rates falling slightly during the quarter, partly offset by the effect of increased lending in the quarter. Net fee and commission income was DKK 17m in Q3 2024, up DKK 1m compared to the preceding quarter. Other operating income amounted to DKK 5m in Q3 2024, DKK 1m lower than in Q2 2024.

Operating costs were DKK 52m in Q3 2024, a decrease of DKK 1m relative to Q2 2024. Impairments amounted to a reversal of DKK 7m in Q3 2024 compared to impairment charges of DKK 4m in Q2 2024. The Bank is of the opinion that customers in the personal banking segment remain robust. Declining market rates should strengthen customers' resilience further. The resulting operating profit for Q3 2024 was DKK 30m, DKK 11m higher than in the previous quarter.

Investment portfolio earnings posted to the personal banking segment amounted to DKK 31m in the third quarter of 2024 compared to DKK 23m in the second quarter.

Profit before tax thus amounted to DKK 61m in Q3 2024, an increase of DKK 19m relative to Q2 2024. Profit before tax for the first three quarters of 2024 was DKK 157m, a significant rise from the DKK 112m seen in the first three quarters of 2023. The rise was driven mainly by operating income being DKK 14m higher while costs increased by DKK 7m, and also by a DKK 30m increase in investment portfolio earnings from Q1-Q3 2023 to Q1-Q3 2024.

Loans and advances to personal customers increased by DKK 97m to DKK 4,298m in Q3 2024, and brokered mortgage credit was down DKK 14m to DKK 2,160m, both compared to 30 June 2024. Deposits held by personal customers were flat at DKK 6,161m on 30 September 2024 relative to the end of June.

Adjusted Income statement, Personal banking

DKKm	Q3 2024	Q2 2024	Index	Q1 2024	Q4 2023	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Index
Net interest income	54	55	98	60	72	60	168	151	111
Net fee and commission income	17	16	107	18	16	18	51	52	98
Other operating income	5	6	74	6	2	5	17	18	94
Operating income	75	77	98	84	90	84	236	222	106
Operating costs	-52	-54	97	-49	-49	-51	-155	-147	105
Sector costs	0	0	100	0	0	0	-1	-1	91
Profit before impairment charges	23	23	99	34	40	32	81	74	110
Impairment charges, net	7	-4	-178	5	-5	1	8	7	113
Operating profit	30	19	158	39	35	33	89	81	110
Non-recurring items	0	0		0	0	0	0	-8	
Profit before investment portfolio earnings and tax	30	19	158	39	35	33	89	73	121
Investment portfolio earnings	31	23	132	14	30	17	68	38	178
Profit before tax	61	43	144	53	65	51	157	112	141
Loans and advances	4,298	4,202	102	4,124	4,066	3,859	4,298	3,859	111
Deposits and other debt	6,161	6,161	100	5,788	5,761	5,678	6,161	5,678	109
Mortgage credit	2,160	2,174	99	2,191	2,179	2,203	2,160	2,203	98
Number of FTE, end of period	77	80	96	79	81	82	77	82	94

Corporate Banking

Corporate Banking activities generated operating income of DKK 42m in Q3 2024, relatively flat compared to Q2 2024. Net interest income fell by DKK 2m to DKK 33m due to interest rates falling slightly during the quarter and to a decrease in the loan portfolio. Net fee and commission income was flat at DKK 5m, and other operating income increased from DKK 3m in Q2 2024 to DKK 4m in Q3 2024.

Operating costs were DKK 10m in Q3 2024, an increase of DKK 2m relative to Q2 2024. Net impairment charges during in Q3 2024 were DKK 2m compared to a reversal of DKK 11m in Q2 2024. The Bank remains of the view that its corporate client base continues to show solid creditworthiness. Declining markets rates should strengthen customers' creditworthiness further.

Operating profit for Q3 2024 amounted to DKK 31m, a decrease of DKK 15m relative to Q2 2024.

Investment portfolio earnings posted to the corporate banking segment in Q3 2024 amounted to DKK 12m, DKK 3m higher than in the preceding quarter.

The resulting profit before tax for the quarter was DKK 43m, compared to DKK 55m in the second quarter of 2024. Profit before tax for the first nine months of 2024 totalled DKK 107m, compared to DKK 133m in the first nine months of 2023. Operating income for the first quarters of 2024 was 5% lower than in the first three quarters in 2023, and costs were DKK 5m higher. Impairment charges were DKK 26m higher in the first three quarters of 2024 than in the same period of 2023. The impairments charges were attributed to a few customers and are not part of a larger trend.

Corporate loans and advances fell by DKK 47m in Q3 2024 to DKK 4,774m at 30 September 2024. Customer deposits rose by DKK 179m during Q3 2024 to DKK 3,198m. Brokered mortgage credit rose by DKK 8m to DKK 419m at 30 September 2024 compared to 30 June 2024.

Adjusted Income statement, Corporate Banking

DKKm	Q3 2024	Q2 2024	Index	Q1 2024	Q4 2023	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Index
Net interest income	33	35	95	33	28	36	101	109	93
Net fee and commission income	5	5	99	5	5	5	15	19	82
Other operating income	4	3	159	3	1	3	11	6	166
Operating income	42	43	100	42	34	44	127	134	95
Operating costs	-10	-8	126	-9	-9	-8	-27	-22	123
Sector costs	0	0	100	0	0	0	0	0	91
Profit before impairment charges	32	35	94	32	24	36	99	111	89
Impairment charges, net	-2	11	-16	-28	0	-2	-18	8	229
Operating profit	31	45	68	5	25	34	81	119	68
Non-recurring items	0	0		0	0	0	0	-1	
Profit before investment portfolio earnings and tax	31	45	68	5	25	34	81	118	69
Investment portfolio earnings	12	9	132	5	12	7	27	15	178
Profit before tax	43	55	78	10	36	41	107	133	81
Loans and advances	4,774	4,821	99	4,791	4,816	4,932	4,774	4,932	97
Deposits and other debt	3,198	3,019	106	3,143	2,948	2,924	3,198	2,924	109
Mortgage credit	419	411	102	430	420	412	419	412	102
Number of FTE, end of period	15	15	100	15	14	15	15	15	100

Insurance: Trygd

Trygd reported premium income of DKK 40m in Q3 2024, DKK 3m higher than in Q3 2023. In Q3 2024, claims were DKK 22m, DKK 5m higher than in Q3 2023. Net income from investment activities amounted to DKK 4m in Q3 2024 compared to DKK 2m in Q3 2023. As a result, operating income was DKK 21m in Q2 2024, flat compared to Q3 2023.

Operating costs were DKK 7m in Q3 2024, flat compared to the third quarter of 2023. As a result, Trygd reported a profit before tax for Q3 2024 of DKK 14m, the same level as in Q3 2023.

Profit before tax for the first three quarters of 2024 was DKK 22m, DKK 3m higher than in the same period of 2023.

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, which amounted to 11% in the first three quarters of 2024 compared to the same period in 2023. This increase includes price indexation of 3.68% in 2024. 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	Q3 2024	Q2 2024	Index	Q1 2024	Q4 2023	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Index
Premium income, net of reinsurance	40	40	100	39	42	37	118	106	111
Claims, net of reinsurance	-22	-29	76	-31	-30	-17	-82	-69	120
Net insurance income	18	11	166	8	12	20	36	38	96
Net income from investment activities	4	2	164	3	3	2	9	4	250
Operating income	21	13	166	11	15	22	45	41	109
Operating cost	-7	-8	95	-8	-8	-7	-23	-22	105
Profit before tax	14	5	271	3	7	14	22	20	114
Combined ratio	74	93		100	90	67	89	85	
Claims ratio	55	73		81	72	47	70	65	
Number of FTE, end of period	23	23	100	23	23	23	23	23	97

Income statement

Note	DKK 1,000	Group		Føroya Banki	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		2024	2023	2024	2023
3	Interest income	476,387	374,469	476,387	374,738
4	Interest expenses	137,155	67,019	137,155	67,287
	Net interest income	339,232	307,451	339,232	307,451
	Dividends from shares and other investments	11,997	6,115	11,997	6,115
5	Fee and commission income	63,780	63,646	72,001	74,936
5	Fee and commissions paid	5,542	4,134	5,542	4,134
	Net dividend, fee and commission income	70,234	65,628	78,455	76,918
	Net interest and fee income	409,466	373,078	417,687	384,369
	Insurance revenue	146,385	138,551		
	Insurance service expenses	112,748	101,361		
	Net return on investments backing insurance liabilities	10,749	3,775		
	Net finance income or expense from insurance	382	-396		
	Other expenses	4,484	4,631		
	Net insurance result	40,284	35,937	0	
	Interest and fee income and income from insurance activities, net	449,750	409,015	417,687	384,369
6	Market value adjustments	33,287	22,894	33,287	22,894
7	Other operating income	7,806	4,887	2,117	1,636
8	Staff costs and administrative expenses	182,440	179,625	175,760	178,203
	Amortisation, depreciation and impairment charges	6,545	5,564	6,289	5,441
	Other operating expenses	1,186	1,309	1,186	1,309
9	Impairment charges on loans and advances etc.	10,328	-15,128	10,328	-15,128
	Income from investments accounted for under the equity method	4,609	5,108	29,240	26,733
	Profit before tax	294,953	270,534	288,768	265,806
	Tax	56,869	51,560	50,684	46,832
	Net profit	238,084	218,974	238,084	218,974
	Portion attributable to				
	Shareholders of Føroya Banki P/F	232,866	213,756	232,866	213,756
	Owners of additional Tier 1 capital	5,218	5,218	5,218	5,218
	Net profit	238,084	218,974	238,084	218,974
	EPS Basic for the period, DKK*	24.87	22.88	24.87	22.88
	EPS Diluted for the period, DKK*	24.87	22.88	24.87	22.88

*Based on average number of shares outstanding.

Statement of comprehensive income - Føroya Banki

DKK 1,000	Group		Føroya Banki	
	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
	2024	2023	2024	2023
Net profit	238,084	218,974	238,084	218,974
Other comprehensive income				
Items which will not subsequently be recycled to the income statement:				
Revaluation of domicile property	0	-1,656	0	-1,656
Tax on other comprehensive income	0	298	0	298
Total other comprehensive income	0	-1,358	0	-1,358
Total comprehensive income	238,084	217,616	238,084	217,616

Balance Sheet

Note	DKK 1,000	Group		Føroya Banki	
		Sept. 30 2024	Dec. 31 2023	Sept. 30 2024	Dec. 31 2023
Assets					
	Cash in hand and demand deposits with central banks	2,619,237	1,795,718	2,608,446	1,793,739
10	Amounts due from credit institutions and central banks	354,225	260,050	354,225	260,050
9	Loans and advances at fair value	350,767	348,500	350,767	348,500
9	Loans and advances at amortised cost	8,721,549	8,534,355	8,721,549	8,534,355
	Bonds at fair value	1,348,484	1,396,516	1,152,376	1,217,642
	Shares, etc.	278,239	279,957	183,015	190,388
	Assets under insurance contracts	12,417	1,658	0	0
	Holdings in associates	18,563	14,881	18,563	14,881
	Holdings in subsidiaries	0	0	141,684	132,553
	Assets under pooled schemes and unit-linked investment contracts	56,579	33,003	53,127	30,006
	Intangible assets	5,558	1,702	1,238	1,702
	Total land and buildings	118,289	123,742	115,006	120,431
	Domicile property	59,747	62,149	56,464	58,838
	Domicile property (lease asset)	58,543	61,593	58,543	61,593
	Other property, plant and equipment	15,265	12,381	13,180	9,862
	Current tax assets	22,971	27,413	22,971	27,413
	Deferred tax assets	9,412	9,412	9,362	9,362
	Other assets	116,757	89,044	116,319	90,068
	Prepayments	7,168	16,503	5,869	15,298
	Total assets	14,055,478	12,944,835	13,867,695	12,796,250

Balance Sheet

Note	Group		Føroya Banki	
	Sept. 30 2024	Dec. 31 2023	Sept. 30 2024	Dec. 31 2023
Shareholders' equity and liabilities				
Liabilities other than provisions				
Amounts due to credit institutions and central banks	962,792	719,105	962,792	719,105
Deposits and other debt	9,353,549	8,702,192	9,359,064	8,709,586
Deposits under pooled schemes and unit-linked investments contracts	56,579	33,003	53,127	30,006
Issued bonds at amortised cost	984,002	986,134	984,002	986,134
Liabilities under insurance contracts	164,787	139,679	0	0
Current tax liabilities	120,359	71,836	108,774	65,796
Other liabilities	303,523	180,955	290,875	175,570
Deferred income	2,298	4,047	2,127	2,189
Total liabilities other than provisions	11,947,890	10,836,949	11,760,762	10,688,385
Provisions for liabilities				
Provisions for deferred tax	654	21	0	0
Provisions for losses on guarantees etc	2,069	4,204	2,069	4,204
Provisions for other liabilities	1,414	1,869	1,414	1,869
Total provisions for liabilities	4,138	6,094	3,483	6,073
Subordinated debt				
Subordinated debt	99,755	99,650	99,755	99,650
Total liabilities	12,051,783	10,942,694	11,864,001	10,794,108
Equity				
Share capital	192,000	192,000	192,000	192,000
Revaluation reserve	7,948	7,948	7,948	7,948
Retained earnings	1,803,747	1,570,662	1,803,747	1,570,662
Proposed dividends	0	80,000	0	80,000
Shareholders of the Parent Company	2,003,695	1,850,609	2,003,695	1,850,609
Additional tier 1 capital holders	0	151,532	0	151,532
Total equity	2,003,695	2,002,141	2,003,695	2,002,141
Total liabilities and equity	14,055,478	12,944,835	13,867,695	12,796,250

Statement of capital - Føroya Banki Group

Changes in equity:

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
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			0	232,866	232,866	5,218	238,084	
Total comprehensive income		0	0	232,866	232,866	5,218	238,084	
Paid interest on additional tier 1 capital				0	0	-6,750	-6,750	
Redemption of additional tier 1 capital			0	0	0	-150,000	-150,000	
Dividends paid			-80,000	219	-79,781		-79,781	
Shareholders' equity at September 30, 2024	192,000	7,948	0	1,803,747	2,003,695	0	2,003,695	

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
Shareholders' equity at January 1, 2023	192,000	14,392	250,000	1,342,466	1,798,857	151,324	1,950,181	
Revaluation of assets		-7,059		6,901	-158		-158	
Revaluation of assets, subsidiaries		615			615		615	
Net profit			80,000	220,576	300,576	6,958	307,533	
Total comprehensive income		-6,444	80,000	227,477	301,033	6,958	307,991	
Paid interest on additional tier 1 capital				0	0	-6,750	-6,750	
Dividends paid			-250,000	719	-249,281		-249,281	
Shareholders' equity at December 31, 2023	192,000	7,948	80,000	1,570,662	1,850,609	151,532	2,002,141	

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
Shareholders' equity at January 1, 2023	192,000	14,392	250,000	1,342,466	1,798,857	151,324	1,950,181	
Revaluation of assets		-1,656			-1,656		-1,656	
Tax on entries on income recognised as Other comprehensive income		298			298		298	
Net profit			0	213,756	213,756	5,218	218,974	
Total comprehensive income		-1,358	0	213,756	212,398	5,218	217,616	
Paid interest on additional tier 1 capital					0	-6,750	-6,750	
Dividends paid			-250,000	719	-249,281		-249,281	
Shareholders' equity at September 30, 2023	192,000	13,034	0	1,556,941	1,761,974	149,792	1,911,767	

Statement of capital - Føroya Banki P/F

Changes in equity:

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
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				232,866	232,866	5,218	238,084	
Total comprehensive income		0	0	232,866	232,866	5,218	238,084	
Paid interest on additional tier 1 capital				0	0	-6,750	-6,750	
Redemption of additional tier 1 capital			0	0	0	-150,000	-150,000	
Dividends paid			-80,000	219	-79,781		-79,781	
Shareholders' equity at September 30, 2024	192,000	7,948	0	1,803,747	2,003,695	0	2,003,695	

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
Shareholders' equity at January 1,	192,000	14,392	250,000	1,342,466	1,798,857	151,324	1,950,181	
Revaluation of assets		-7,059		6,901	-158		-158	
Revaluation of assets, subsidiaries		615			615		615	
Net profit			80,000	220,576	300,576	6,958	307,533	
Total comprehensive income		-6,444	80,000	227,477	301,033	6,958	307,991	
Paid interest on additional tier 1 capital						-6,750	-6,750	
Dividends paid			-250,000	719	-249,281		-249,281	
Shareholders' equity at December 31, 2023	192,000	7,948	80,000	1,570,662	1,850,609	151,532	2,002,141	

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
Shareholders' equity at January 1, 2023	192,000	14,392	250,000	1,342,466	1,798,857	151,324	1,950,181	
Revaluation of assets		-1,656			-1,656		-1,656	
Tax on entries on income recognised as Other comprehensive income		298			298		298	
Net profit			0	213,756	213,756	5,218	218,974	
Total comprehensive income		-1,358	0	213,756	212,398	5,218	217,616	
Paid interest on additional tier 1 capital					0	-6,750	-6,750	
Dividends paid			-250,000	719	-249,281		-249,281	
Shareholders' equity at September 30, 2023	192,000	13,034	0	1,556,941	1,761,974	149,792	1,911,767	

Capital and Solvency - Føroya Banki

Solvency DKK 1,000	Sept. 30 2024	Dec. 31 2023
Tier 1 capital	1,753,643	1,907,887
Total capital	1,853,398	2,007,537
Risk-weighted items not included in the trading portfolio	5,868,326	5,808,267
Risk-weighted items with market risk etc.	307,169	347,722
Risk-weighted items with operational risk	817,421	662,873
Total risk-weighted items	6,992,916	6,818,861
CET 1 capital ratio	25.1%	25.8%
Tier 1 capital ratio	25.1%	28.0%
Total capital ratio	26.5%	29.4%
Total capital, incl. MREL capital, ratio	37.9%	41.1%
Shareholders' equity		
Share capital	192,000	192,000
Reserves	7,948	7,948
Net profit	238,084	307,533
Retained earnings, previous years	1,569,659	1,347,453
Shareholders' equity, before deduction of holdings of own shares	2,007,691	1,854,934
Deduction of ordinary dividend	0	80,000
Deduction of net profit for Q1-Q3	238,084	0
Deduction of holdings of own shares	3,996	4,325
Deduction of intangible assets	1,238	1,702
Deduction of deferred tax assets	9,362	9,362
Deduction regarding prudent valuation of financial instruments	1,367	1,503
CET 1 capital	1,753,643	1,758,043
Additional Tier 1 capital	0	149,844
Tier 1 capital	1,753,643	1,907,887
Total capital		
Tier 1 capital	1,753,643	1,907,887
Subordinated loan capital	99,755	99,650
Total capital	1,853,398	2,007,537
MREL capital	794,094	798,224
Total capital, incl. MREL capital	2,647,492	2,805,762

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 Q1-Q3 2024	Group Full year 2023
DKK 1,000		
Cash flow from operations		
Profit before tax	294,953	379,330
Amortisation and impairment charges for intangible assets	463	701
Depreciation and impairment charges of tangible assets	6,968	7,101
Impairment of loans and advances/guarantees	12,477	-4,696
Paid tax	0	-48,015
Other non-cash operating items	-46,224	-54,862
Total	270,186	281,610
Changes in operating capital		
Change in loans at fair value	4,326	25,468
Change in loans at amortised cost	-199,670	-803,957
Change in holding of bonds	72,446	232,310
Change in holding of shares	7,108	28,313
Change in deposits	651,357	366,530
Due to credit institutions and central banks	-13,456	-124,781
Change in other assets / liabilities	83,054	8,310
Assets/liabilities under insurance contracts	14,350	24,057
Prepayments	7,586	-1,808
Cash flow from operations	897,287	36,051
Cash flow from investing activities		
Dividends received	11,997	6,115
Acquisition of intangible assets	-5,000	0
Acquisition of tangible assets	-6,240	-7,007
Sale of tangible assets	3,100	24,869
Cash flow from investing activities	3,857	23,977
Cash flow from financing activities		
Change in loans from central banks and credit institutions	257,143	-14,286
Issued bonds at amortised cost	0	638,550
Redemption of issued bonds at amortised cost	-150,000	-200,000
Interest paid on additional tier 1 capital	-6,750	-6,750
Payment of dividends	-80,000	-250,000
Payment of dividends, own shares	219	719
Principal portion of lessee lease payments	-4,063	-5,156
Cash flow from financing activities	16,549	163,078
Cash flow	917,693	223,106
Cash in hand and demand deposits with central banks, and due from Credit institutions, etc. at the beginning of the year	2,055,769	1,832,663
Cash flow	917,693	223,106
Cash and due etc.	2,973,462	2,055,769
Cash and due etc.		
Cash in hand and demand deposits with central banks	2,619,237	1,795,718
Due from credit institutions, etc.	354,225	260,050
Total	2,973,462	2,055,769

Notes to the financial statements

Note 1 Significant accounting policies

The consolidated financial statements for the first nine months of 2024 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 2023. The Annual Report 2023 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 2023 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 2023 and the uncertainties prevailing at that time.

Determination of fair value

The fair value of financial assets is measured on the basis of 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 on the basis of 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 Q1-Q3 2024	Banking			Total	Non-life	Elimination	Group
		Personal	Corporate	Other		Insurance		
2	DKK 1,000					Faroe Islands	Total	
	External interest income, Net	113,791	157,904	67,537	339,232	0	339,232	
	<i>Internal interest</i>	48,215	-47,214	-1,001	0	0	0	
	Net interest income	162,006	110,689	66,537	339,232	0	339,232	
	Net dividends and fee income	61,552	16,720	183	78,455	0	-8,221	
	Net insurance result	0	0	7,494	7,494	22,433	10,357	
	Other income	3,359	5,841	37,262	46,462	0	-761	
	Total income	226,916	133,251	111,476	471,643	22,433	1,375	
	Total operating expenses	60,739	15,275	112,217	188,231	0	1,940	
	<i>of which depreciation and amortisation</i>	<i>6,003</i>	<i>917</i>	<i>-375</i>	<i>6,545</i>	<i>0</i>	<i>6,545</i>	
	Profit before impairment charges on loans	166,177	117,976	-741	283,413	22,433	-565	
	Impairment charges	-7,291	19,619	-2,001	10,328	0	10,328	
	Profit before tax	173,468	98,356	1,261	273,085	22,433	294,953	
	Total assets	4,191,405	4,921,018	4,661,981	13,774,404	281,073	14,055,478	
	<i>of which Loans and advances</i>	<i>4,298,367</i>	<i>4,773,948</i>		<i>9,072,315</i>		<i>9,072,315</i>	
	Total liabilities	6,290,835	3,068,229	2,508,589	11,867,653	184,130	12,051,783	
	<i>of which Deposits</i>	<i>6,290,835</i>	<i>3,068,229</i>		<i>9,359,064</i>		<i>-5,515</i>	
	<i>of which Insurance liabilities</i>			<i>4,388</i>		<i>160,399</i>	<i>164,787</i>	

Operating segments Q1-Q3 2023	Banking			Total	Non-life	Elimination	Group
	Personal	Corporate	Other		Insurance		
DKK 1,000					Faroe Islands	Total	
External interest income, Net	131,520	167,136	8,526	307,182	0	307,182	
<i>Internal interest</i>	<i>34,255</i>	<i>-34,255</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
Net interest income	165,775	132,881	8,526	307,182	0	307,182	
Net dividends and fee income	56,843	19,456	619	76,918	0	-11,291	
Net insurance result			5,876	5,876	19,678	14,051	
Other income	11,700	4,558	19,529	35,788	0	-2,898	
Total income	234,318	156,895	34,550	425,764	19,678	-138	
Total operating expenses	58,126	14,289	117,889	190,303	0	-406	
<i>of which depreciation and amortisation</i>	<i>4,982</i>	<i>793</i>	<i>-211</i>	<i>5,564</i>	<i>0</i>	<i>5,564</i>	
Profit before impairment charges on loans	176,192	142,607	-83,339	235,460	19,678	268	
Impairment charges	-3,670	-370	-11,088	-15,128	0	-15,128	
Profit before tax	179,862	142,977	-72,250	250,588	19,678	270,534	
Total assets	3,875,980	4,967,602	3,419,853	12,263,434	229,878	12,493,312	
<i>of which Loans and advances</i>	<i>3,961,969</i>	<i>4,828,424</i>		<i>8,790,393</i>		<i>8,790,393</i>	
Total liabilities	5,677,952	2,923,666	1,832,955	10,434,573	146,972	10,581,545	
<i>of which Deposits</i>	<i>5,677,952</i>	<i>2,923,666</i>		<i>8,601,618</i>		<i>-11,537</i>	
<i>of which Insurance liabilities</i>			<i>6,575</i>		<i>138,825</i>	<i>145,401</i>	

Føroya Banki Group - Geographical revenue information

Note 2 DKK 1,000

(cont'd) Geographical segments	Total income		Non current assets		Additions to tangible assets		Additions to intangible assets	
	Q1-Q3 2024	Q1-Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Faroe Islands	393,650	379,763	120,611	111,137	3,686	3,446	3,857	-622
Denmark	0	3,303	0	0	0	0	0	0
Greenland	101,802	62,238	37,064	37,337	33	0	0	0
Total	495,452	445,304	157,675	148,474	3,719	3,446	3,857	-622

Geographical segments	Impairments		Investment portfolio earnings	
	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Faroe Islands	15,023	15,052	37,896	28,002
Denmark	0	11,213	0	0
Greenland	-25,351	-11,136	0	0
Total	-10,328	15,128	37,896	28,002

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.

Operational segments	Total income		Profit before tax		Tax		FTE	
	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Q3 2024	Q3 2023
Faroe Islands, Banking, Other	353,365	340,159	217,840	209,525	42,438	37,938	166	165
Faroe Islands, Insurance	40,284	39,604	40,284	19,678	4,671	3,526	23	23
Denmark, Banking	0	3,303	0	13,992	0	3,058	0	0
Greenland, Banking	101,802	62,238	36,829	27,339	9,760	7,037	17	19
Total	495,452	445,304	294,953	270,534	56,868	51,560	206	207

Notes		Group		Føroya Banki	
Note	DKK 1,000	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2024	Q1-Q3 2023
3	Interest income				
	Credit institutions and central banks	58,765	34,249	58,765	34,249
	Loans and advances	392,224	318,061	392,224	318,061
	Bonds	8,623	9,658	8,623	9,926
	Total derivatives of which:	12,399	11,619	12,399	11,619
	<i>Currency contracts</i>	-11	694	-11	694
	<i>Interest rate contracts</i>	12,411	10,926	12,411	10,926
	Other interest income	4,376	882	4,376	882
	Total interest income	476,387	374,469	476,387	374,738
4	Interest expenses				
	Credit institutions and central banks	22,340	22,125	22,340	22,125
	Deposits	69,428	23,129	69,428	23,398
	Issued bonds	41,731	17,345	41,731	17,345
	Subordinated debt	4,119	3,143	4,119	3,143
	Lease liabilities	1,549	1,538	1,549	1,538
	Other interest expenses	-2,013	-261	-2,013	-261
	Total interest expenses	137,155	67,019	137,155	67,287
5	Net fee and commission income				
	Fee and commission income				
	Securities trading and custody accounts	10,492	9,503	10,492	9,503
	Credit transfers	15,974	16,171	15,974	16,171
	Loan commissions	3,398	3,539	3,398	3,539
	Guarantee commissions	16,296	20,781	16,296	20,781
	Other fees and commissions	17,619	13,651	25,841	24,942
	Total fee and commission income	63,780	63,646	72,001	74,936
	Fee and commissions paid				
	Securities trading and custody accounts	5,542	4,134	5,542	4,134
	Net fee and commission income	58,237	59,512	66,458	70,803
6	Market value adjustments				
	Loans and advances	6,592	798	6,592	798
	Bonds	25,861	11,918	25,861	11,918
	Shares	5,390	5,231	5,390	5,231
	Foreign exchange	8,066	9,398	8,066	9,398
	Total derivatives of which:	-12,623	-4,452	-12,623	-4,452
	<i>Currency Swaps</i>	74	-11,473	74	-11,473
	<i>Interest Swaps</i>	-13,214	-4,565	-13,214	-4,565
	<i>Other contracts</i>	518	11,586	518	11,586
	Assets under pooled schemes	5,996	1,473	5,996	1,473
	Deposits in pooled schemes	-5,996	-1,473	-5,996	-1,473
	Total market value adjustments	33,287	22,894	33,287	22,894

Note	DKK 1,000	Group		Føroya Banki	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		2024	2023	2024	2023
7	Other operating income				
	Profit on sale of properties	636	99	636	99
	Other income	7,170	4,788	1,481	1,537
	Total other operating income	7,806	4,887	2,117	1,636
8	Staff costs and administrative expenses				
	Staff costs:				
	Salaries	93,848	98,376	80,373	85,825
	Pensions	13,664	13,402	11,760	11,584
	Social security expenses	14,056	14,123	12,445	12,485
	Total staff costs	121,568	125,900	104,578	109,894
	Administrative expenses:				
	IT	46,637	45,327	41,484	41,306
	Marketing etc	9,327	6,854	8,036	5,665
	Education etc	3,037	2,067	2,325	1,487
	Other expenses	27,295	23,235	19,338	19,850
	Total administrative expenses	86,296	77,484	71,182	68,309
	Total staff costs	121,568	125,900	104,578	109,894
	Total administrative expenses	86,296	77,484	71,182	68,309
	Staff and administrative costs incl. under the item "Insurance service expenses"	-25,424	-23,758	0	0
	Total staff costs and administrative expenses	182,440	179,625	175,760	178,203
	Number of employees				
	Average number of full-time employees in the period	208	204	178	173
	Executive remuneration:				
	Board of Directors	1,620	1,530	1,620	1,530
	Executive Board:				
	Salaries	2,097	2,960	2,097	2,960
	- less fees received from directorships	278	0	278	0
	The Bank's expense, salaries	1,819	2,960	1,819	2,960
	Pension	314	441	314	441
	Total executive board	2,133	3,401	2,133	3,401
	Total executive remuneration	3,753	4,931	3,753	4,931

Note	DKK 1,000	Group		Føroya Banki	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		2024	2023	2024	2023
9	Impairment charges on loans and advances and provisions for guarantees etc.				
	Impairment charges and provisions at 31 December 2023	182,347	185,981	182,347	185,981
	New and increased impairment charges and provisions	103,829	77,362	103,829	77,362
	Reversals of impairment charges and provisions	88,585	85,789	88,585	85,789
	Written-off, previously impaired	1,827	459	1,827	459
	Interest income on impaired loans	3,105	2,088	3,105	2,088
	Total impairment charges and provisions at 30 September 2024	195,764	177,096	195,764	177,096
	Impairment charges and provisions recognised in the income statement				
	Loans and advances at amortised cost	9,647	-18,534	9,647	-18,534
	Loans and advances at fair value	2,815	0	2,815	0
	Guarantees and loan commitments	-2,135	3,405	-2,135	3,405
	Assets held for sale	0	0	0	0
	Total individual impairment charges and provisions	10,328	-15,128	10,328	-15,128
	Stage 1 impairment charges				
	Stage 1 impairment charges etc. at 31 December 2023	76,219	43,128	76,219	43,128
	New and increased Stage 1 impairment charges	42,728	29,578	42,728	29,578
	Reversals, net of Stage 1 impairment charges	46,612	18,352	46,612	18,352
	Stage 1 impairment charges at 30 September 2024	72,335	54,354	72,335	54,354
	Total net impact recognised in the income statement	-3,884	11,226	-3,884	11,226
	Stage 2 impairment charges				
	Stage 2 impairment charges etc. at 31 December 2023	38,196	32,535	38,196	32,535
	New and increased impairment charges	18,614	30,721	18,614	30,721
	Reversals, net of impairment charges	23,698	24,361	23,698	24,361
	Stage 2 impairment charges at 30 September 2024	33,113	38,895	33,113	38,895
	Total net impact recognised in the income statement	-5,084	6,360	-5,084	6,360
	Weak Stage 2				
	Weak Stage 2 impairment charges etc. at 31 December 2023	7,278	25,792	7,278	25,792
	New and increased impairment charges	4,845	4,757	4,845	4,757
	Reversals, net of impairment charges	5,255	21,630	5,255	21,630
	Weak Stage 2 impairment charges at 30 September 2024	6,868	8,919	6,868	8,919
	Total net impact recognised in the income statement	-410	-16,873	-410	-16,873
	Stage 3 impairment charges				
	Stage 3 impairment charges etc. at 31 December 2023	56,450	80,172	56,450	80,172
	New and increased impairment charges	35,909	5,274	35,909	5,274
	Reversals of impairment charges	9,153	17,819	9,153	17,819
	Written-off, previously impaired	1,827	459	1,827	459
	Write-offs charged directly to the income statement	337	36	337	36
	Received on claims previously written off	2,149	4,649	2,149	4,649
	Interest income on impaired loans	3,105	2,088	3,105	2,088
	Stage 3 impairment charges at 30 September 2024	81,379	67,169	81,379	67,169
	Total net impact recognised in the income statement	21,840	-19,246	21,840	-19,246
	Purchased credit-impaired assets included in stage 3 above				
	Purchased credit-impaired assets at 31 December 2023	1,341	10,722	1,341	10,722
	Reversals of impairment charges	222	9,294	222	9,294
	Write-offs charged directly to the income statement	0	0	0	0
	Purchased credit-impaired assets at 30 September 2024	1,119	1,428	1,119	1,428
	Provisions for guarantees and undrawn credit lines				
	Individual provisions at 31 December 2023	4,204	4,353	4,204	4,353
	New and increased provisions	1,732	7,033	1,732	7,033
	Reversals of provisions	3,867	3,627	3,867	3,627
	Provisions for guarantees etc at 30 September 2024	2,069	7,758	2,069	7,758
	Total net impact recognised in the income statement	-2,135	3,405	-2,135	3,405
	Provisions for guarantees and undrawn credit lines				
	Stage 1 provisions	1,135	839	1,135	839
	Stage 2 provisions	578	6,018	578	6,018
	Weak Stage 2 provisions	0	0	0	0
	Stage 3 provisions	355	901	355	901
	Provisions for guarantees etc at 30 September 2024	2,069	7,758	2,069	7,758

Note	DKK 1,000	Group		Føroya Banki	
		Sept. 30 2024	Dec. 31 2023	Sept. 30 2024	Dec. 31 2023
10	Due from credit institutions etc. specified by maturity				
	On demand	354,225	260,050	354,225	260,050
	Total due from credit institutions etc.	354,225	260,050	354,225	260,050
11	Contingent liabilities				
	Guarantees				
	Financial guarantees	170,910	177,202	170,910	177,202
	Mortgage finance guarantees	305,032	556,151	305,032	556,151
	Registration and remortgaging guarantees	23,306	32,835	106,784	70,353
	Other guarantees	64,571	84,817	204,757	216,463
	Total guarantees	563,819	851,004	787,484	1,020,169

12 **Assets deposited as collateral**

At Sept. 30 2024 the Group had deposited cash amounting to DKK 31.4m (Dec. 31 2023: 42.0m) 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 12.5m (Dec. 31 2023: DKK 5.3m) in connection with negative market value of derivatives.

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 nine months to 30 September 2024.

The consolidated financial statements for the first nine months to 30 September 2024 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 September 2024, 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 nine months ended 30 September 2024.

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 a whole, as well as a description of the significant risks and elements of uncertainty that may affect the Group.

Tórshavn, 31 October 2024

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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

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Føroya Banki is a limited liability company incorporated and domiciled in the Faroe Islands.

The company is listed on Nasdaq Copenhagen.

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