

## Solid performance in 2025

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### Announcement no. 2/2026

“Overall, 2025 was a year characterised by positive trends for the Føroya Banki Group. On the global political scene, the year was marked by geopolitical turmoil and growing uncertainty, putting our ability to navigate in an unpredictable environment to the test.

Our business momentum made up for the low interest rate environment, resulting in a net profit for the year of DKK 288m, which exceeded our expectations at the beginning of the year. This satisfactory performance reflected solid customer activity and a 7% increase in overall business volume. A strong insurance performance and high non-recurring income also contributed significantly to the Group’s total income. Costs were kept in line with the guided level, resulting in a cost/income ratio of 52%.

We were able to reverse impairment charges for the ninth year running, reflecting the robust financial position and sound credit quality of our customers. We are thus in a favourable position to further develop our business in 2026 and create value for our customers, our shareholders and our community,” says Føroya Banki CEO Turið F. Arge.

At the upcoming Annual General Meeting on 26 March, the Bank intends to propose dividend payments of DKK 202m, or DKK 21.04 per share, representing 70% of the net profit for 2025.

### Highlights of Føroya Banki’s annual report for 2025:

DKKm	2025	2024	Index	Q4 2025	Q3 2025	Index	Q2 2025	Q1 2025	Q4 2024
Net interest income	316	347	91	79	77	102	84	76	78
Net fee and commission income	84	74	114	24	21	113	19	20	19
Net insurance income	76	57	135	20	14	141	27	16	10
Other operating income (less reclassification)	58	41	140	10	11	94	24	13	9
Operating income	534	519	103	132	123	108	154	125	117
Operating costs	280	273	102	70	73	95	68	69	72
Profit before impairment charges	255	245	104	63	50	126	86	56	46
Impairment charges, net	-4	-1	373	-2	-9	28	2	5	-11
Operating profit	259	246	105	65	58	111	84	51	57
Investment portfolio earnings	97	136	71	20	22	92	30	25	31
Profit before tax	356	382	93	85	80	106	115	76	88
Tax	68	72	94	15	17	88	21	15	15
Net profit	288	310	93	71	64	111	93	61	72
Loans and advances	9.670	9.086	106	9.670	9.598	101	9.695	9.270	9.086
Deposits and other debt	10.948	10.003	109	10.948	10.803	101	10.383	10.299	10.003
Mortgage credit	2.824	2.741	103	2.824	2.789	101	2.909	2.906	2.741

Equity	2.015	2.076	97	2.015	1.945	104	1.881	1.788	2.076
Total capital ratio, incl. MREL capital, %	36,3	36,3		36,3	36,6		35,9	36,0	36,3
CET 1 capital, %	23,3	23,8		23,3	23,1		22,7	23,5	23,8
ROE, %	14,1	15,8		14,3	13,3		20,3	12,6	14,2
Liquidity Coverage Ratio (LCR), %	306,4	337,4		306,4	294,5		259,7	261,1	337,4
Operating cost/income, %	52	53		53	59		44	55	61
Number of FTE, end of period	201	207	97	201	202	100	199	204	207

### Business developments

From 2024 to 2025, the Bank's performance was generally characterised by business growth, reflected in a 6% increase in lending, a 9% increase in deposits and a 3% increase in mortgage broking services, mainly driven by the Faroese part of the operations. In addition, premium income from the Group's non-life insurance business grew by 6%. Investments also showed positive momentum, supported by an increase in trading activity via our online banking solution and a 2% increase in assets under management.

### Capital ratios

At 31 December 2025, the Group's CET 1 capital ratio was 23.3%, against 23.8% at 31 December 2024. The MREL capital ratio was 36.3% at 31 December 2025, unchanged from 36.3% at 31 December 2024.

### Guidance for 2026

The Bank's Management expects a net profit for 2026 in the DKK 195-235m range (2025: DKK 288.3m), corresponding to a RoE of 10-12%. The guidance is subject to uncertainty related to developments in interest rates, returns on the investment portfolio, impairment charges, insurance performance and geopolitical factors.

### For further information, please call:

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**Føroya Banki** has banking activities in Greenland and the Faroe Islands and insurance activities in the Faroe Islands. Founded in the Faroe Islands 120 years ago, the Group has total assets of DKK 14.9bn and 201 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 annual report.

### Attachments

- [Annual Report 2025.pdf](#)
- [FB-2025-12-31-en.zip](#)
- [Q4 2025 Investor Presentation.pdf](#)
- [Risk Management Report 2025.pdf](#)