Føroya Banki

Good first-half performance

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Company announcement no. 8/2026

"The Group successfully carried the positive Q1 momentum into the second quarter, reporting a satisfactory net profit of DKK 125m for the six-month period. The total business volume grew by 2% in the quarter, driven by positive developments in both the Faroese and the Greenlandic markets. Growing customer demand for investment solutions was reflected, among other things, in an increase in our total assets under management. In the second quarter, the financial results were also positively supported by a satisfactory return on the investment portfolio. In-come exceeded expectations, while expenses remained under pressure. We note with satisfac-tion that our customers are financially robust with strong credit quality, as reflected in persis-tently low levels of impairment charges. We expect our business to continue its stable, positive development in the second half-year, and we reiterate our financial guidance for the full year," says CEO Turið F. Arge.

Highlights of Føroya Banki's interim report for H1 2026:

DKKm	H1 2026	H1 2025	Index	Q2 2026	Q1 2026	Index	Q4 2025	Q3 2025	Q2 2025
Net interest income	159	160	99	81	78	105	79	77	84
Net fee and commission income	45	39	116	23	23	100	24	21	19
Net insurance income	28	42	65	11	16	68	20	14	27
Other operating income	24	37	65	13	11	115	10	11	24
Operating income	**256**	**279**	**92**	**128**	**128**	**100**	**132**	**123**	**154**
Operating costs	145	137	106	73	72	102	70	73	68
Profit before impairment charges	**111**	**142**	**78**	**55**	**56**	**97**	**63**	**50**	**86**
Impairment charges, net	2	7	35	3	-1	-444	-2	-9	2
Operating profit	**109**	**135**	**80**	**52**	**57**	**91**	**65**	**58**	**84**
Investment portfolio earnings	46	55	84	34	13	264	20	22	30
Profit before tax	**155**	**190**	**81**	**85**	**70**	**122**	**85**	**80**	**115**
Tax	30	36	82	16	14	114	15	17	21
Net profit	**125**	**154**	**81**	**69**	**56**	**124**	**71**	**64**	**93**
Loans and advances	9.788	9.695	101	9.788	9.774	100	9.670	9.598	9.695
Deposits and other debt	11.393	10.383	110	11.393	11.096	103	10.948	10.803	10.383
Mortgage credit	3.015	2.909	104	3.015	3.095	97	2.824	2.789	2.909
Equity	1.939	1.881	103	1.939	1.870	104	2.015	1.945	1.881
Total capital ratio, incl MREL capital, %	40,2	35,9		40,2	40,2		36,3	36,6	35,9
CET 1 capital, %	25,6	22,7		25,6	25,5		23,3	23,1	22,7
ROE, %	12,7	15,6		14,6	11,5		14,3	13,3	20,3
Liquitidy Coverage Ratio (LCR), %	273,5	259,7		273,5	322,4		306,4	294,5	259,7
Operating cost/income, %	57	49		57	56		53	59	44

Number of FTE, end of period	201	199	101	201	207	97	201	202	199

Business developments
Overall, the second quarter was characterised by generally satisfactory business volume growth, reflected in a 3% increase in deposits, a stable level of lending and a 3% decline in mortgage broking services compared to Q1 2026. Net insurance income from the Group's non-life insurance business was satisfactory despite a 35% decrease compared to the year-earlier period, when the Group reported an extraordinarily strong result. In the investment area, the Group reported an 8% increase in assets under management in the second quarter, driven by a high level of activity and general price appreciation. The total business volume grew by 2% dur-ing Q2 2026.

Capital ratios
At 30 June 2026, the Group's CET 1 capital ratio was 25.6%, against 23.3% at 31 December 2025. The total capital ratio including MREL was 40.2% at 30 June 2026, against 36.3% at 31 December 2025. The net profit of DKK 125m for H1 2026 is not included in the calculation of capital ratios.

Guidance for 2026
The Group announced its guidance for 2026 on 28 January. 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. The guidance is subject to uncertainty related to developments in interest rates, returns on the investment portfolio, impairment charges, insurance performance and geopolitical factors.

Føroya Banki has banking activities in Greenland and the Faroe Islands and insurance activi-ties in the Faroe Islands. Founded in the Faroe Islands 120 years ago, the Group has total as-sets of DKK 15.4bn 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 H1 2026 interim report.

For further information, please call:
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Attachments

- Interim Report H1 2026.pdf
- Q2 2026_Investor Presentation.pdf