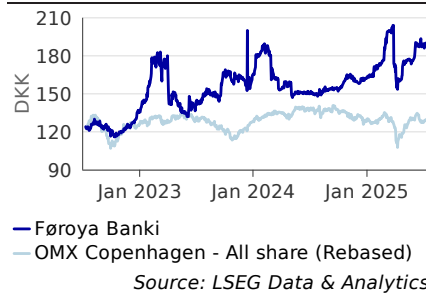


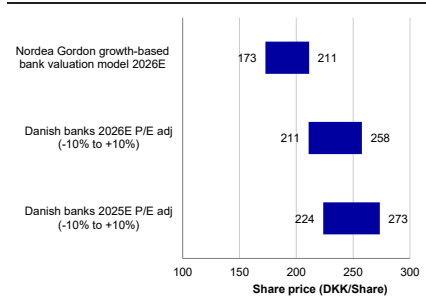
**KEY DATA**

Stock country	Denmark
Bloomberg	FOBANK DC
Reuters	FORBANK.CO
Share price, close	DKK 190
Free float	0.65
Market cap. (m)	EUR 243/DKK 1,814
Company website	www.banknordik.com
Next report date	5 August 2025

**PERFORMANCE**



**VALUATION APPROACH (DKK)**



**ESTIMATE CHANGES**

DKKm	2025E	2026E	2027E
Total revenue	0%	0%	0%
Total costs	0%	0%	0%
Loan losses	0%	0%	0%
PTP	0%	0%	0%
DPS (ord. SEK)	0%	0%	0%
EPS (adj.)	0%	0%	0%

Source: Company data and Nordea estimates

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**Fighting lower market rates**

We estimate Q2 2025 pre-tax profit of DKK 69m, down DKK 36m (34%) y/y. This earnings drop is mainly led by three elements: 1) Q2 2025E net interest income (NII) declining DKK 14m (16%) y/y, driven by lower market rates; 2) Q2 2025E loan losses of DKK 5m, which is DKK 12m worse than the reversal of DKK 7m in Q2 2024; and 3) Q2 2025E earnings from the investment portfolio of DKK 25m, down DKK 10m (29%) y/y, also due to lower market rates. We make only minor changes to 2025E-27E net profit. We derive a higher Gordon growth-based fair value range of DKK 173-211 (161-197), mainly as a result of the 50bp cut to our cost of equity estimate.

**Eyes on income momentum and cost discipline**

Short-term (3M Cibor) rates came down by 41bp during Q2, broadly on par with the drop seen in Q1 2025. We hence expect to see further pressure on NII. We estimate Q2 2025 NII of DKK 75.3m, down DKK 14m (16%) y/y. We are, however, more optimistic about the bank's ability to grow its other income streams, which is crucial to mitigate the adverse impact from lower market rates. We estimate that Q2 non-interest income will be up by ~9% y/y, mainly led by net insurance income. We will also keep an eye on cost developments during Q2. We estimate Q2 2025 total costs of DKK 72m, up 5.3% y/y. This is slightly below the Q1 2025 cost inflation of 6.4% y/y. We note that as part of its Q2 2024 results, Føroya Banki highlighted that it saw slightly elevated marketing costs during Q2 2024, due to the bank's name change. While we expect slightly lower marketing costs, we also note that IT cost inflation has been somewhat elevated in recent quarters.

**We leave 2025E-27E net profit broadly unchanged**

We estimate 2025 net profit of DKK 220m, just below the midpoint of the 2025 net profit guidance range of DKK 210-240m. We note that the 2025 net profit guidance was initially based on a rate assumption that included one less rate cut of 25bp than our estimates. While the bank might update this assumption, we continue to believe the bank will end 2025 within the guidance range.

**2026 targets look ambitious**

Føroya Banki has delivered a total share return (including dividends) of ~42% YTD, ~10pp above its Danish peers, on average. In order for the share to rerate from the current level, we argue that investors will likely start to demand more details as to how the bank plans to reach its 2026 targets. We estimate a 2026 return on equity of 10.8%, slightly below the 12% target for 2026. We also pencil in a cost/income ratio of ~58%, which is 5pp above the 53% target. We note that Føroya Banki saw elevated cost inflation of ~6% annually in both 2023 and 2024. We estimate 2025 total costs of DKK 286m, up 4.5% y/y, while we estimate 2026 cost inflation of 1%. Reversing the trend of elevated cost inflation will be crucial to the bank reaching the 2026 targets, in our view.

**SUMMARY TABLE - KEY FIGURES**

DKKm	2021	2022	2023	2024	2025E	2026E	2027E
Total revenue	407	447	528	502	487	494	509
Total costs	236	244	259	273	286	289	291
Loan loss ratio	-1.01%	-0.59%	-0.12%	-0.01%	0.27%	0.32%	0.40%
PTP	340	207	379	366	272	263	266
RoE	12.7%	7.91%	16.8%	15.0%	11.0%	10.8%	10.7%
RoTBV	9.18%	7.63%	16.5%	14.8%	10.6%	10.5%	10.4%
P/E (adj.)	6.80	8.87	5.22	5.35	8.54	8.84	8.73
P/BV	66.1%	71.7%	85.1%	74.7%	93.8%	91.5%	88.9%
P/TBV	0.66	0.72	0.85	0.75	0.94	0.92	0.89
BIS III CT1 ratio	23.8%	21.6%	25.8%	23.8%	23.6%	23.5%	23.4%
DPS (ord. SEK)	40.3	26.1	8.36	36.6	16.1	15.6	15.8
Dividend yield (ord.)	28.7%	19.2%	5.08%	22.6%	8.47%	8.19%	8.29%
Total payout ratio	1.42	1.64	0.26	1.19	0.70	0.70	0.70

Source: Company data and Nordea estimates

# Estimate revisions

## CHANGES TO OUR ESTIMATES

DKKm	New estimates			Old estimates			Change (%)			Change (DKK)		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Net interest income	302	308	316	303	310	317	0%	-1%	-1%	0	-2	-2
Net fee and commission income	77	80	83	77	80	83	0%	0%	0%	0	0	0
Net insurance income	63	61	64	63	61	64	1%	1%	1%	1	1	1
Other income	45	45	46	45	45	46	0%	0%	0%	0	0	0
<b>Total Income</b>	<b>487</b>	<b>494</b>	<b>509</b>	<b>487</b>	<b>495</b>	<b>510</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>1</b>	<b>-1</b>	<b>-1</b>
<b>Total Expenses</b>	<b>-286</b>	<b>-289</b>	<b>-291</b>	<b>-286</b>	<b>-289</b>	<b>-291</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Profit before loan losses</b>	<b>202</b>	<b>206</b>	<b>218</b>	<b>201</b>	<b>207</b>	<b>219</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>1</b>	<b>-1</b>	<b>-1</b>
Loan losses	-25	-31	-40	-25	-31	-40	0%	0%	0%	0	0	0
<b>Operating profits</b>	<b>176</b>	<b>175</b>	<b>178</b>	<b>176</b>	<b>176</b>	<b>179</b>	<b>0%</b>	<b>-1%</b>	<b>-1%</b>	<b>1</b>	<b>-1</b>	<b>-1</b>
Earnings from investment portfolio	96	88	88	96	88	88	0%	0%	0%	0	0	0
Non-recurring and industry solutions	0	0	0	0	0	0	-	-	-	0	0	0
<b>Profit before tax</b>	<b>272</b>	<b>263</b>	<b>266</b>	<b>272</b>	<b>264</b>	<b>267</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>1</b>	<b>-1</b>	<b>-1</b>
Discontinued operations before tax	0	0	0	0	0	0	-	-	-	0	0	0
Taxes	-52	-50	-51	-52	-50	-51	0%	0%	0%	0	0	0
<b>Net profit</b>	<b>220</b>	<b>213</b>	<b>215</b>	<b>220</b>	<b>214</b>	<b>216</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0</b>	<b>-1</b>	<b>-1</b>
<b>EPS adj, DKK</b>	<b>22.3</b>	<b>21.5</b>	<b>21.8</b>	<b>22.2</b>	<b>21.6</b>	<b>21.8</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.1</b>
<b>DPS, DKK</b>	<b>16.1</b>	<b>15.6</b>	<b>15.8</b>	<b>16.1</b>	<b>15.6</b>	<b>15.8</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.1</b>
<b>CET1 ratio</b>	<b>23.6%</b>	<b>23.5%</b>	<b>23.4%</b>	<b>23.6%</b>	<b>23.5%</b>	<b>23.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0pp</b>	<b>0.0pp</b>	<b>0.0pp</b>

Source: Nordea estimates

# Quarterly estimates

## QUARTERLY INCOME STATEMENT AND BALANCE SHEET

### INCOME STATEMENT

DKKkm	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25E	Q3 25E	Q4 25E
Net interest income	92	90	87	78	76	75	75	76
Net fee and commission income	19	17	18	19	20	18	19	20
Net insurance income	12	15	20	10	16	18	20	10
Other income	11	10	10	9	13	11	11	11
<b>Total revenues</b>	<b>135</b>	<b>132</b>	<b>135</b>	<b>117</b>	<b>125</b>	<b>121</b>	<b>124</b>	<b>117</b>
<b>Total expenses</b>	<b>65</b>	<b>68</b>	<b>69</b>	<b>72</b>	<b>69</b>	<b>72</b>	<b>71</b>	<b>74</b>
<b>Pre-provision profit</b>	<b>70</b>	<b>63</b>	<b>66</b>	<b>46</b>	<b>56</b>	<b>49</b>	<b>53</b>	<b>44</b>
Loan loss provisions	-23	7	6	11	-5	-5	-8	-8
Non-recurring items	0	0	0	0	0	0	0	0
Market value adjustments	23	35	48	31	25	25	23	23
<b>Operating Profit</b>	<b>70</b>	<b>105</b>	<b>120</b>	<b>88</b>	<b>76</b>	<b>69</b>	<b>68</b>	<b>59</b>
Taxes	-15	-18	-23	-15	-15	-13	-13	-11
Discontinued operations	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0
<b>Net profit to equity</b>	<b>55</b>	<b>87</b>	<b>96</b>	<b>72</b>	<b>61</b>	<b>56</b>	<b>55</b>	<b>48</b>

### BALANCE SHEET

DKKkm	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25E	Q3 25E	Q4 25E
Cash / Interbank	1,786	2,083	2,619	2,696	2,789	2,789	2,789	2,789
Loans to credit institutions	618	437	354	311	328	328	328	328
Loans to the public	8,915	9,023	9,072	9,086	9,270	9,346	9,429	9,504
Goodwill and other intangibles	5	5	6	5	5	5	5	5
<b>Total assets</b>	<b>13,377</b>	<b>13,492</b>	<b>14,055</b>	<b>14,512</b>	<b>14,800</b>	<b>14,876</b>	<b>14,959</b>	<b>15,034</b>
Interbank/owed to credit institutions	688	684	963	823	801	801	801	801
Deposits	9,043	9,227	9,410	10,065	10,365	10,365	10,365	10,365
Subordinated loans	100	100	100	100	100	100	100	100
Minority interest	0	0	0	0	0	0	0	0
Shareholders equity	1,824	1,909	2,004	2,076	1,788	1,842	1,894	1,938
<b>Total equity and liabilities</b>	<b>13,377</b>	<b>13,492</b>	<b>14,055</b>	<b>14,512</b>	<b>14,800</b>	<b>14,876</b>	<b>14,959</b>	<b>15,034</b>
Loans to deposits	99%	98%	96%	90%	89%	90%	91%	92%

### GROWTH (Y/Y)

	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25E	Q3 25E	Q4 25E
Net Interest Income	19%	4%	-10%	-22%	-17%	-16%	-14%	-3%
Net Commission Income	-9%	-9%	-7%	10%	3%	6%	5%	4%
<b>Total revenues</b>	<b>20%</b>	<b>-2%</b>	<b>-9%</b>	<b>-12%</b>	<b>-7%</b>	<b>-8%</b>	<b>-8%</b>	<b>0%</b>
<b>Total Expenses</b>	<b>2%</b>	<b>6%</b>	<b>5%</b>	<b>9%</b>	<b>6%</b>	<b>5%</b>	<b>4%</b>	<b>3%</b>
Pre-provision profit	44%	-10%	-20%	-33%	-20%	-22%	-21%	-4%
Operating profit	-7%	21%	11%	-20%	8%	-34%	-43%	-32%
<b>Net profit to equity</b>	<b>-10%</b>	<b>25%</b>	<b>9%</b>	<b>-18%</b>	<b>11%</b>	<b>-35%</b>	<b>-43%</b>	<b>-34%</b>
Loans to the public								
Deposits	6%	9%	9%	15%	15%	12%	10%	3%
Assets	7%	8%	12%	12%	11%	10%	6%	4%
<b>RWA growth (BIS II)</b>	<b>-5%</b>	<b>-2%</b>	<b>-2%</b>	<b>5%</b>	<b>4%</b>	<b>7%</b>	<b>6%</b>	<b>5%</b>

Source: Company data and Nordea estimates

# Reported numbers and forecasts

## ANNUAL KEY DATA

DKKm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
<b>SHARE DATA</b>											
EPS	19.4	26.6	21.7	17.5	28.5	15.9	32.1	30.7	23.0	22.2	22.5
EPS (adj.)	19.4	19.9	22.9	16.9	20.7	15.3	31.5	30.3	22.3	21.5	21.8
BVPS	186	208	239	238	213	190	193	217	202	208	214
TVBS	186	207	237	238	212	190	193	216	202	207	213
DPS (tot., DKK)	4.00	7.32	0.00	52.1	40.3	26.1	8.36	36.6	16.1	15.6	15.8
Dividend pay-out ratio	20.6%	36.7%	0.00%	308%	195%	170%	26.5%	121%	72.4%	72.5%	72.4%
Share repurchases (per share)	0.00	0.00	1.61	0.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total payout ratio	0.21	0.27	0.07	3.03	1.42	1.64	0.26	1.19	0.70	0.70	0.70
Share price (period end)	106	109	109	152	141	136	165	162	190	190	190
Market cap. (m)	1,040	1,038	1,034	1,451	1,345	1,302	1,575	1,551	1,819	1,819	1,819
Dil. number of shares	9.81	9.57	9.49	9.55	9.57	9.57	9.57	9.57	9.57	9.57	9.57
<b>VALUATION (x)</b>											
P/E	5.45	4.09	5.02	8.69	4.93	8.55	5.12	5.27	8.26	8.55	8.44
P/E (adj.)	5.45	5.44	4.75	8.99	6.80	8.87	5.22	5.35	8.54	8.84	8.73
P/BV	57.1%	52.3%	45.7%	63.9%	66.1%	71.7%	85.1%	74.7%	93.8%	91.5%	88.9%
P/TBV	0.57	0.52	0.46	0.64	0.66	0.72	0.85	0.75	0.94	0.92	0.89
Dividend yield (tot.)	3.77%	6.74%	0.00%	34.3%	28.7%	19.2%	5.08%	22.6%	8.47%	8.19%	8.29%
Total yield	3.77%	6.74%	1.47%	34.8%	28.7%	19.2%	5.08%	22.6%	8.47%	8.19%	8.29%
<b>CAPITAL RATIOS (%)</b>											
BIS II Trans. CET1-ratio	0.17	0.18	0.19	0.23	0.24	0.22	0.26	0.24	0.24	0.23	0.23
BIS II Trans. Capital ratio	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
BIS III CET	1,731	1,874	2,023	2,206	1,629	1,556	1,758	1,712	1,770	1,825	1,881
BIS III REA	9,895	10,621	10,764	9,774	6,841	7,195	6,819	7,180	7,504	7,772	8,050
BIS III CT1 ratio	17.5%	17.6%	18.8%	22.6%	23.8%	21.6%	25.8%	23.8%	23.6%	23.5%	23.4%
BIS III T1-ratio	0.17	0.18	0.20	0.24	0.26	0.24	0.28	0.24	0.24	0.23	0.23
BIS III Capital ratio	0.20	0.20	0.22	0.26	0.27	0.25	0.29	0.25	0.25	0.25	0.25
Tang. Equity/Assets	0.12	0.12	0.12	0.13	0.17	0.15	0.14	0.14	0.13	0.13	0.13
Tang. Equity/Lending	0.19	0.20	0.23	0.30	0.27	0.22	0.21	0.23	0.20	0.20	0.20
Leverage ratio	0.11	0.11	0.11	0.13	0.14	0.13	0.14	0.12	0.12	0.12	0.12
<b>CREDIT QUALITY</b>											
Impaired loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan loss reserves	511	607	496	328	321	315	309	303	297	291	285
Coverage ratio	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Loan loss reserves / Total loans	5.48%	6.23%	5.00%	3.74%	4.22%	4.01%	3.64%	3.37%	3.19%	3.00%	2.84%
Impaired loans / Total loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Collective/total provisions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Perf. Impaired loans/Impaired loans	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Loan loss ratio	-0.64%	-1.14%	-1.06%	-0.06%	-1.01%	-0.59%	-0.12%	-0.01%	0.27%	0.32%	0.40%
Growth loan loss reserves (y/y)	-24.6%	18.7%	-18.3%	-33.9%	-1.99%	-1.99%	-1.99%	-2.00%	-2.00%	-2.00%	-2.00%
Growth impaired loans (y/y)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>PROFITABILITY</b>											
Adjusted for non-rec. Items											
RoE	10.1%	10.2%	10.3%	7.10%	9.17%	7.62%	16.5%	14.8%	10.6%	10.5%	10.3%
RoTBV	10.1%	10.2%	10.3%	7.12%	9.18%	7.63%	16.5%	14.8%	10.6%	10.5%	10.4%
C/I	-71.3%	-71.9%	-71.9%	-61.4%	-58.0%	-54.6%	-49.0%	-54.4%	-58.6%	-58.4%	-57.2%
NII-margin	4.15%	3.83%	3.67%	2.87%	3.32%	3.34%	4.16%	3.62%	3.16%	3.09%	3.06%
<b>REVENUE DISTRIBUTION</b>											
Adjusted for non-rec. Items											
Net Interest Income	59.7%	58.8%	55.5%	64.9%	62.1%	58.7%	66.7%	64.8%	60.2%	60.5%	60.2%
Net Commission Income	28.7%	27.1%	28.8%	15.5%	19.5%	19.7%	14.6%	14.7%	15.8%	16.2%	16.4%
Net result from financial transactions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net insurance income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Income	4.85%	7.24%	7.43%	6.08%	8.38%	8.60%	6.06%	8.21%	9.14%	9.10%	9.10%

Source: Company data and Nordea estimates

**ANNUAL INCOME STATEMENT AND BALANCE SHEET**

DKKm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
<b>INCOME STATEMENT</b>											
Net Interest Income	387	373	367	258	260	270	360	331	302	308	316
Net Commission Income	186	172	189	60.0	79.4	88.1	77.0	73.8	77.1	80.2	83.4
Net result from financial transactions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net insurance income	43.6	43.6	52.8	45.2	33.9	52.1	59.7	56.6	63.2	61.1	64.2
Other income	31.4	46.0	48.9	23.5	34.1	38.5	32.0	41.2	44.5	45.0	46.4
<b>Total revenue</b>	<b>648</b>	<b>635</b>	<b>658</b>	<b>387</b>	<b>407</b>	<b>447</b>	<b>528</b>	<b>502</b>	<b>487</b>	<b>494</b>	<b>509</b>
Staff costs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other operating costs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Depreciation	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total costs</b>	<b>462</b>	<b>457</b>	<b>473</b>	<b>237</b>	<b>236</b>	<b>244</b>	<b>259</b>	<b>273</b>	<b>286</b>	<b>289</b>	<b>291</b>
<b>Profit before loan losses</b>	<b>186</b>	<b>179</b>	<b>185</b>	<b>149</b>	<b>171</b>	<b>203</b>	<b>269</b>	<b>229</b>	<b>202</b>	<b>206</b>	<b>218</b>
Loan losses	60.0	111	106	4.96	76.6	46.6	10.0	1.07	-25.1	-31.0	-40.0
Write-downs on assets	-18.0	72.0	-13.3	0.00	88.9	0.00	-8.93	0.00	0.00	0.00	0.00
Operating profit	234	324	261	207	340	207	379	366	272	263	266
Taxes	-43.7	-66.2	-54.3	-40.4	-67.0	-54.9	-71.8	-72.0	-52.1	-49.9	-50.5
Discontinued operations	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Minority interest	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Net profit to equity</b>	<b>191</b>	<b>257</b>	<b>207</b>	<b>166</b>	<b>272</b>	<b>152</b>	<b>308</b>	<b>294</b>	<b>220</b>	<b>213</b>	<b>215</b>
<b>BALANCE SHEET</b>											
Cash / Interbank	251	180	252	208	1,292	1,443	1,796	2,696	2,789	2,789	2,789
Loans to credit institutions	617	914	878	1,178	445	390	260	311	328	328	328
Loans to the public	9,537	9,956	9,909	7,608	7,624	8,083	8,883	9,086	9,504	9,844	10,196
Goodwill and other intangibles	0.00	6.68	9.96	2.43	2.68	2.40	1.70	5.08	4.68	4.68	4.68
<b>Total assets</b>	<b>15,785</b>	<b>16,700</b>	<b>18,173</b>	<b>17,290</b>	<b>11,790</b>	<b>12,190</b>	<b>12,945</b>	<b>14,512</b>	<b>15,034</b>	<b>15,374</b>	<b>15,726</b>
<b>Interbank/owed to credit institutions</b>	<b>360</b>	<b>299</b>	<b>54.9</b>	<b>28.0</b>	<b>839</b>	<b>858</b>	<b>719</b>	<b>823</b>	<b>801</b>	<b>801</b>	<b>801</b>
Deposits	13,083	13,878	15,164	7,733	7,902	8,360	8,735	10,065	10,365	10,365	10,365
Subordinated loans	223	223	224	225	99.4	99.5	99.6	99.8	99.8	99.8	99.8
Minority interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00	2.00
Shareholders equity	1,820	1,987	2,263	2,271	2,036	1,817	1,851	2,076	1,938	1,988	2,045
<b>Total equity and liabilities</b>	<b>15,785</b>	<b>16,700</b>	<b>18,173</b>	<b>17,290</b>	<b>11,792</b>	<b>12,190</b>	<b>12,945</b>	<b>14,512</b>	<b>15,034</b>	<b>15,374</b>	<b>15,726</b>
Loans to deposits	72.9%	71.7%	65.3%	98.4%	96.5%	96.7%	102%	90.3%	91.7%	95.0%	98.4%
Non-mortg. loans to deposits	72.9%	71.7%	65.3%	98.4%	96.5%	96.7%	102%	90.3%	91.7%	95.0%	98.4%
LCR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NSFR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>GROWTH (Y/Y)</b>											
Adjusted for non rec.items											
Net interest income	-6.47%	-3.58%	-2.25%	-31.2%	0.73%	3.87%	34.3%	-7.69%	-9.85%	1.90%	2.51%
Net commission income	-3.08%	-7.45%	10.0%	-68.3%	32.3%	11.0%	-12.6%	-4.18%	4.53%	4.00%	4.00%
<b>Total Revenues</b>	<b>1.07%</b>	<b>-2.03%</b>	<b>3.57%</b>	<b>-41.2%</b>	<b>5.33%</b>	<b>9.84%</b>	<b>18.1%</b>	<b>-4.91%</b>	<b>-3.00%</b>	<b>1.45%</b>	<b>3.06%</b>
Staff costs	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
<b>Total expenses</b>	<b>0.12%</b>	<b>-1.16%</b>	<b>3.60%</b>	<b>-49.9%</b>	<b>-0.46%</b>	<b>3.40%</b>	<b>6.12%</b>	<b>5.52%</b>	<b>4.53%</b>	<b>0.99%</b>	<b>0.99%</b>
Profit before loan losses	3.52%	-4.21%	3.50%	-19.2%	14.5%	18.7%	32.6%	-14.9%	-12.0%	2.09%	5.95%
Operating profit	13.3%	3.90%	7.16%	-20.7%	64.1%	-39.0%	83.1%	-3.43%	-25.7%	-3.48%	1.24%
<b>Net profit to equity</b>	<b>16.8%</b>	<b>1.39%</b>	<b>13.1%</b>	<b>-26.4%</b>	<b>22.7%</b>	<b>-25.7%</b>	<b>106%</b>	<b>-3.93%</b>	<b>-26.6%</b>	<b>-3.45%</b>	<b>1.28%</b>
Loans to the public	4.34%	4.39%	-0.47%	-23.2%	0.21%	6.02%	9.89%	2.29%	4.60%	3.58%	3.58%
Deposits	3.27%	6.07%	9.26%	-49.0%	2.18%	5.80%	4.49%	15.2%	2.98%	0.00%	0.00%
Assets	1.50%	5.79%	8.82%	-4.86%	-31.8%	3.40%	6.19%	12.1%	3.60%	2.26%	2.29%
REA growth (BIS Trans)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
REA growth (BIS III)	1.07%	7.34%	1.34%	-9.19%	-30.0%	5.18%	-5.23%	5.30%	4.50%	3.58%	3.58%

Source: Company data and Nordea estimates

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### Previous rating changes in the past 12 months

Date	To	From
No rating changes		

### Distribution of recommendations

Recommendation	% distribution
Buy	58%
Hold	40%
Sell	2%

As of 07 April 2025

### Recommendation structure and fair value sensitivity (absolute ratings)

Buy:	Positive share price potential versus our fair value and we see a compelling investment case to buy the share.
Sell:	Negative share price potential versus our fair value and we see a compelling investment case to sell the share.
Hold:	Share in line with our fair value and/or no compelling investment case.

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### Nordea ESG rating methodology

For a description of the methodology used in our proprietary ESG ratings, please refer to <https://research.nordea.com/esg-methodology.pdf>

### Completion Date

10/07/2025 11:16 CEST

### Market-making obligations and other significant financial interest

Nordea has no market-making obligations in Føroya Banki shares.

As of today, Nordea Abp holds no positions of 0.5% or more of shares issued by Føroya Banki.

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

### Investment banking transactions and/or services

Nordea has been lead or co-lead manager in a public disclosed offer of financial instruments issued by Føroya Banki over the previous 12 months.

### Distribution of recommendations (transactions)\*

Recommendation	% distribution
Buy	54%
Hold	40%
Sell	6%

As of 07 April 2025

\* Companies under coverage with which Nordea has ongoing or completed public investment banking transactions.

### Equity risk rating

#### Nordea risk rating: Føroya Banki

4

As a measure of the company's operational risk we, apply a risk rating scale of 1-5 where 1 is the lowest risk and 5 is the highest. The risk rating is calculated using a weighted average of earnings/cash flow predictability, earnings quality and backwardlooking asset beta. For the most illiquid stocks, the risk rating is also adjusted for liquidity risk. The risk rating is then converted to asset beta and used to calculate the cost of capital. It is thus implicitly included in our fair value calculations.

### Issuer Review

This report has not been reviewed by the Issuer prior to publication.

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