

FØROYABANKI

Interim Report

Q1 2009

Announcement No. 13 / 2009
6 May 2009

Summary

- Pre-tax profit DKK 51.6m in Q1 2009 – a 13.6% pro anno return on equity
- Core earnings (*income from interest, fee and subsidiaries net ordinary costs*) increased to DKK 74m from DKK 28m in Q1 2008
- Net financial income increased 57% yoy
- Cost/income ratio 47% - excluding value adjustments and impairments – a decrease from 64% in Q1 2008
- Impairments DKK 22.6m compared to DKK 16.5m in Q1 2008
- A gain of DKK 8.8m in market value adjustments compared to a loss of DKK 15.8m in Q1 2008
- Loans and advances decreased by 0.5% to DKK 7.6bn during Q1 2009
- The Group's solvency ratio is 21%
- The Group has a strong liquidity of 194% above statutory requirements
- Profit guidance for 2009 maintained at DKK 165-195m before market value adjustments and payment to the state guarantee scheme and tax

“We are satisfied with the result in the first quarter”, says Føroya Banki CEO, Janus Petersen. “Generating a return of 13.6% with our large equity and low gearing is very satisfactory in the current difficult market environment. The underlying development of our core earnings is positive, and our strong solvency and firm credit handling have been of key importance as regards our efforts to deal efficiently with the global financial crisis, thus enabling us to maintain our strong 2009 guidance”, he says.

The Management is satisfied with the pre-tax profit of DKK 51.6m in Q1 compared with a loss of DKK 3.2m in Q1 2008. The good result is mainly explained by an increase of DKK 45m in financial income, driven by improvements on all items, while costs increased by DKK 5.6m caused by the payment for the state bank guarantee scheme. Net premium income from the insurance company Trygd improved significantly from a net loss of DKK 7m in Q1 2008 to a net gain of DKK 11m in Q1. The Group has been able to improve the interest margins in an environment with increasing funding costs, thus net interest income increased by DKK 26m although the loan portfolio decreased slightly.

In connection with the Group's transition to IFRS and Basel II in Q1 2009 the loan portfolio has been reviewed intensively. This has not increased the Group's impairment charges compared with the earlier provisions for bad debt, which reflects the high credit quality of the loan portfolio in general. Nevertheless, some developments in the business environment of a few corporate customers have resulted in new impairment charges. The composition of the corporate loan portfolio is diversified as no single segment of the corporate sector exceeds 9% per cent of the loan portfolio. Loans to retail customers account for 47 per cent of total loans, whereof more than 80 per cent are fully collateralised mortgage lending.

Although the equity markets in general were negative in the first quarter of 2009 the Group realised a profit on the large portfolio of securities. This is primarily explained by the conservative investment policy implying a large overweight of bonds (>95% of securities portfolio), which performed well in Q1.

In January the Danish Government took some measures to ensure financial stability. The Danish government made subordinated debt for DKK 100 billion available for the financial institutions to apply for which can be included in the institutions Tier 1 capital. The so-called Credit Package. This capital can be converted into share capital.

At the same time the Danish Government announced a three year transition scheme, covering the period from 2010 to 2013, with respect to the government guarantee provided in the Act on Financial Stability.

Because of the Group's solid solvency ratio, the Group does not require subordinated capital in order to perform its current business but the bank is monitoring the strategic opportunities inherent in the Credit Package.

Outlook for 2009

The outlook for 2009 is based on the Group's budget and forecast for 2009.

In the annual report for 2009 the Group announced its profit guidance before value adjustment, expenses due to the Danish state-funded guarantee scheme and tax to be within the range of DKK 165–195m.

The Group maintains its profit guidance for 2009.

Due to an expectation of stable interest margins compared to Q1 2009 and a stable volume in lending, the Group estimates a growth in net interest and fee income to be in the range of 5-10% compared to 2008.

The Group expects a slowdown in the Faroese economy, which will increase the probability of impairments on loans, mainly related to a few relatively large exposures. The business environment in the fishing industry has been improving according to the decrease in oil prices in the second half of 2008. Unemployment is expected at a modest 4% in 2009 and the financial situation for the Faroese households is expected to remain stable throughout the year. The Group projects a minor decrease in impairments in 2009 compared to the DKK 94m impairments in 2008.

The Group participates in the Danish government's guarantee scheme from October 2008, which affects the Group's costs directly through a fee paid to the government and an

obligation to participate in extra payments, if other participating banks go bankrupt in 2009. Due to the fact that the potential costs are considerable, but at the moment uncertain, the outlook for 2009 does not include these costs.

The Group's liquidity is good and is expected to remain at a comfortable level in 2009.

The Group has a relatively high solvency ratio of 21% and due to the estimated outlook for 2009, the Group estimates the solvency ratio to increase in 2009 contingent on the risk weighted assets remaining stable.

The Faroese economy

The average unemployment rate was 2.9% in March 2009 and is expected to be on average 4% in 2009 compared to 1.3% in 2008. The Group expects the growth in GDP to decrease by 4% in 2009 compared to 2008. The economic slowdown is mainly caused by weaker building activity and decreasing consumption.

The slowdown in the economy is also shown in the payroll expenditure, which has decreased by 2.7% compared to the same period in 2008.

The economic condition has led to a more retained consumption and increased focus on savings among households. This downward trend in the economic activity is expected to stabilise later in 2009. Housing prices, which fell by 4.2% in 2008, is expected to decrease moderately in 2009 but not to an extent that will jeopardise the homeowner's equity significantly.

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Financial Highlights

Føroya Banki Group

Income statement Føroya Banki Group	Q1 2009	Q1 2008	Index 09 / 08	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Interest income	168,844	153,533	110	175,601	173,358	155,993	153,533	658,485
Interest expenses	67,075	77,331	87	85,860	86,980	80,905	77,331	331,075
Net interest income	101,769	76,202	134	89,741	86,377	75,089	76,202	327,410
Dividends from shares and other investments	37	597	6	8	34	4,797	597	5,436
Fee and commission income	10,724	8,696	123	16,009	13,084	10,881	8,696	48,669
Fees and commissions paid	84	39	216	62	44	44	39	189
Net interest and fee income	112,446	85,456	132	105,697	99,451	90,723	85,456	381,326
Premium income, net of reinsurance	19,714	16,602	119	18,986	19,306	18,626	16,602	73,520
Claims, net of reinsurance	8,595	23,501	37	12,590	8,833	9,132	23,501	54,056
Interest and fee income and income from insurance activities, net	123,564	78,558	157	112,093	109,924	100,216	78,558	400,790
Market value adjustments	8,759	-15,772		-34,798	2,176	-25,003	-15,772	-73,397
Other operating income	-722	-541	134	93,971	-486	-1,306	-541	91,638
Staff cost and administrative expenses	49,358	50,114	98	49,114	49,443	54,874	50,114	203,546
Depreciation and impairment of property, plant and equipment	746	1,677	44	1,127	1,376	1,437	1,677	5,618
Other operating expenses	7,325	0		7,524	0	0	0	7,524
Impairment charges on loans and advances etc.	22,583	16,496	137	-19,772	27,567	69,541	16,496	93,833
Income from associated and subsidiary undertakings	0	2,820	0	0	0	0	2,820	2,820
Profit before tax	51,590	-3,222		133,273	33,227	-51,945	-3,222	111,332
Tax	9,286	2,101	442	12,260	10,952	2,157	2,101	16,441
Net profit	42,305	-5,323		121,012	22,275	-54,103	-5,323	94,891
Balance sheet Føroya Banki Group	March 31 2009	March 31 2008	Index 09 / 08	Dec. 31 2008	Sept. 30 2008	June 30 2008	March 31 2008	Full year 2008
Loans and advances at amortised cost	7,577,552	7,613,745	100	7,739,629	7,765,910	7,681,117	7,613,745	7,739,629
Bonds at fair value	1,021,154	933,126	109	940,201	848,507	960,081	933,126	940,201
Total assets	9,803,558	9,689,980	101	10,061,562	9,632,662	9,629,829	9,689,980	10,061,562
Due to credit institutions and central banks	2,001,090	2,635,617	76	2,317,290	2,571,826	2,529,267	2,635,617	2,317,290
Deposits and other debt	5,472,067	5,350,016	102	5,493,182	5,393,779	5,490,474	5,350,016	5,493,182
Issued bonds at amortised cost	499,843	0		500,000	0	0	0	500,000
Total shareholders' equity	1,550,346	1,435,668	108	1,519,988	1,453,188	1,385,781	1,435,668	1,519,988
Total liabilities and equity	9,803,558	9,689,980	101	10,061,562	9,632,662	9,629,829	9,689,980	10,061,562

Financial Highlights, continued

Føroya Banki Group

Ratios and key figures Føroya Banki Group	March 31	March 31	Dec. 31	Sept. 30	June 30	March 31	Full year
	2009	2008	2008	2008	2008	2008	2008
Solvency							
Solvency ratio, %	20.8	19.2	20.8	19.1	18.6	19.2	20.8
Core capital ratio, %	21.0	19.3	20.9	19.3	18.8	19.3	20.9
Risk-weighted Items, DKK mill	7,087	7,415	7,208	7,305	7,363	7,415	7,208
Profitability							
Return on equity after tax, %	2.8	-0.4	8.1	1.6	-3.8	-0.4	6.3
Cost / income, %	60.8	105.0	22.2	70.2	170.3	105.0	73.6
Cost / income, % (excl. value adjustm. and impairments)	46.7	64.1	28.0	46.4	56.9	64.1	43.8
Liquidity							
Excess cover relative to statutory liquidity requirements, %	193.8	96.4	193.0	77.2	85.3	96.4	193.0
Credit risk							
Growth on loans and advances, %	-2.1	0.9	-0.3	1.1	0.9	0.9	2.5
Gearing of loans and advances	4.9	5.3	5.1	5.3	5.5	5.3	5.1
Shares							
Earnings per share after tax (nom. DKK 20), DKK	4.2	-0.5	12.1	2.2	-5.4	-0.5	9.5
Market price per share (nom. DKK 20), DKK	122	147	120	166	148	147	120
Book value per share (nom. DKK 20), DKK	155	144	152	145	139	144	152
Other							
Number of full-time employees	228	256	225	247	251	256	225

Management's Report

Overview

The Management is satisfied with the progress achieved during the first three months in these tumultuous times. The core earnings show positive developments and the Group's strong solvency and firm credit handling have been of key importance in the efforts to deal effectively with the global financial crisis, thus maintaining the strong 2009 projection.

Financial Results

Føroya Banki Group recorded a net profit of DKK 42m for the first quarter of 2009 compared to DKK -5m in Q1 2008. Pre-tax profit amounted to DKK 51.6m for the first quarter of 2009 compared to DKK -3m for Q1 2008.

Thus, the satisfactory performance in 2008 has continued through the first months in 2009. The significant improvement in the Group's profit in Q1 2009 is mainly explained by increased net interest income, which increased by 34% compared to same period 2008. Furthermore loans and advances have decreased by DKK 162m, or 2% since year-end 2008.

Føroya Banki Group has been able to maintain a stable interest margin in 2008 and in the first months in 2009 despite the volatile situation in the funding market. The decreasing international funding interest rates through 2009 have also lead to a less fierce competition on the deposit market. The Groups loan-to-deposit ratio has decreased to 144%, from 146% in March 2008. The strong

position on the market was underlined by Moody's, in their annual Credit Opinion, published in April 2009, which says: "The outlook on all ratings is stable, reflecting the Group's strong local franchise and solid financial fundamentals".

Ratings

Long term deposit rating:	A3
Short-term deposit rating:	P-2
Financial strength rating:	C-
Outlook:	Stable

The payment to the state guarantee scheme, the so-called Sector Fund (Det Private Beredskab), was DKK 7.3m, and is expected to be around DKK 28m for the year 2009 in total.

In March 2009 the Group's solvency ratio was 20.8%.

Income

Net interest income amounted to DKK 102m for the first three months of 2009, a 34% increase from DKK 76m in the same period of 2008. The increase was primarily due to an increase in the interest margin compared to the same period in 2008.

Loans and advances were 0.5% lower at the end of March 2009 than at the end of the same period in 2008.

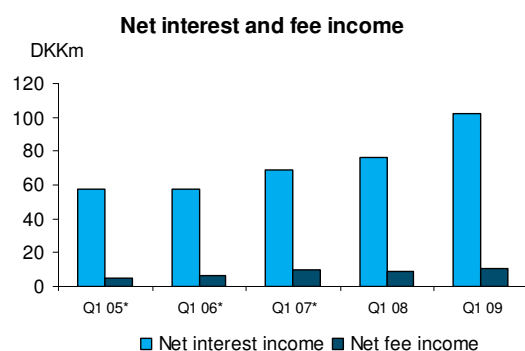
Compared to Q4 2008 the net interest income has increased by 13%. In the same period loans and

advances have decreased by DKK 162m or by 2%.

The decreasing level of funding costs in Q1 has resulted in decreasing interest expenses both in terms of funding costs in the interbank market and in terms of the pressure on interest rates on deposits.

The Group's interest expenses decreased from DKK 77m in Q1 2008 to DKK 67m in Q1 2009 or by 13%. During the same period dues to credit institutions and central banks decreased by 5% with deposits increasing slightly.

The Group has managed to maintain interest margins, i.e. the margin between the lending and deposit rates, in connection with the three consecutive drops in leading interest rates in January and March this year.



* The figures for '05, '06 and '07 are not consolidated nor in accordance with IFRS

Pre-tax profit in Føroya Banki's subsidiaries, Trygd and Skyn, for Q1 2009 was DKK 9.4m compared to a loss of DKK 8.9m in the same period of 2008. Thus pre-tax profit in subsidiaries was DKK 18m higher in Q1 2009 compared to the same period in 2008. The increase in profit is mainly explained in a stabilized net premium

income from the insurance company P/F Trygd, which in the first quarter 2008 had a substantial increase in claims due to an unusually rough winter with severe storms in 2008.

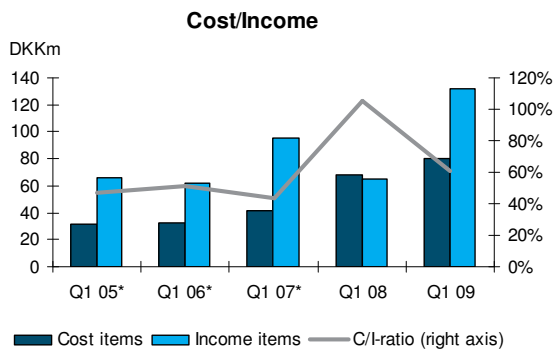
Net fee and commission income for the first quarter amounted to DKK 11m an increase of 23% compared to the same period of last year. This is consistent with the ongoing optimisation of the Group's fee and commission income.

Value adjustments

The main reason for the positive market value adjustments in Q1 2009 relates to the Group's holdings of bonds and customer loans with fixed interest rates. In general the markets have been volatile with great fluctuations from month to month.

The Group's portfolio of securities has a large overweight of Danish mortgage bonds, and they performed well in Q1. In 2008 spreads on mortgage bonds widened sharply, but they have since then been on a downward trend. Combined with a decreasing interest rate level this resulted in a performance of the bond portfolio in Q1 of 2.2% compared to the Mortgage index of 2.4% or EFFAS 1.8%.

The equity portfolio is primarily composed of shares listed on the Danish stock exchange. The OMX C20 index was down by 7.8% in Q1, but the Group had a loss on the equity portfolio of 2.4%.



* The figures for '05, '06 and '07 are not consolidated nor in accordance with IFRS

Operating expenses

Staff costs and administrative expenses amounted to DKK 49m in Q1 2009, which is a slight decrease of DKK 1m relative to Q1 2008.

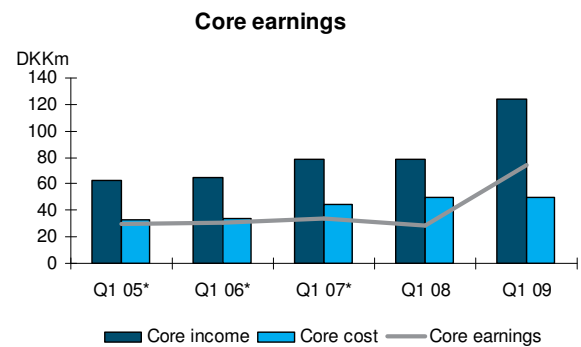
The cost/income ratio has decreased to 61% for the first quarter of Q1 2009 compared to 105% for the same period 2008. Even though this is a significant improvement, the ratio is still at the high end compared to the Group's objective of keeping the C/I ratio below 50%. Excluding the expenses to the guarantee scheme of DKK 7.3m, the C/I ratio was 55%.

Exclusive of the market value adjustments and impairments on loans, the cost/income ratio amounts to 46% for the first three months of 2009, a significant decrease from 64% for the same period in 2008.

Core earnings

The Group's core earnings (*interest and fee income and income from insurance activities, net – Staff costs and administrative expenses*) has improved considerably during Q1 2009 compared to the same period in 2008. At the end of Q1 2009 core earnings were DKK 74m compared to DKK 28m at the end of Q1

2008, an increase of 46m. The main reason for this considerable increase is a growth in net interests of DKK 26m and an increase in net income from insurance activities of 18m. The improvement in core earnings has been a general trend in the last quarters. Core earnings improved from DKK 63m in Q4 2008 to DKK 74m in Q1 2009 due to an improvement in both net interest income and cost reductions. This positive trend is in line with the Group's strategy to maintain a long-term goal of performance in earnings on a cost conscious base.



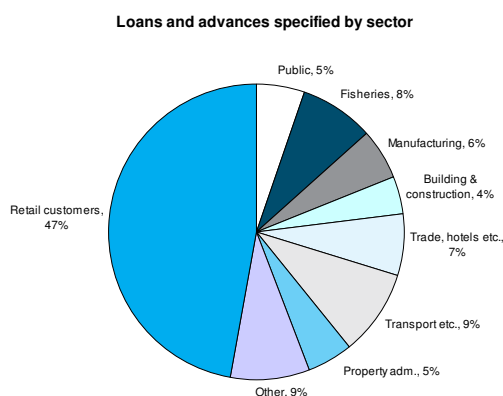
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Impairment charges on loans and advances

The Group recorded impairment charges on loans for the first three months of 2009 amounting to DKK 23m compared to 16m in the same period of 2008.

In accordance with the Group's credit policy the Group has reviewed all exposures in connection with the Q1 2009 report to assess the Group's potential losses. The Group has made impairments for potential losses to the extent deemed necessary.

The Group's credit risk management policy is to have a well-diversified loan portfolio. At the end of Q1 2009 no segment in the corporate sector had a portion higher than 9% of total loans and advances. Fishing industry has decreased by 4 percentage points to 8% compared to one year ago, while the total exposure to corporate customers was unchanged. This continuous diversification of the Group's loans is an intended means to reduce risk, which is partly done by syndicating large exposures with other financial institutions.



Retail customers accounted for 47% of total loans, which is on the same level compared to the same period last year. At the end of Q1 2009 more than 80% of the retail portfolio was secured by first mortgage in houses, and the quality of the Group's mortgage loans is good with 90% of the loans having a loan to value less than 80%.

Total impairments on loans are 3.7% of total loans and advances and guarantees at the end of Q1 2009 compared to 2.4% at the end of Q1 2008. This increase of impairment is mainly explained in a few concentrated exposures.

The turmoil on the financial market has had a negative impact on the economic activity, and

thus also on some of the households liquidity. Føroya Banki is aware of this development and monitors the situation to ensure that any potential losses can stay as low as possible. By 31 March 2009 the household's past due on loans was stable, compared to an average level the last 5 quarters.

Capital and Solvency

Equity

Equity was DKK 1,550m at 31 March 2009, compared to DKK 1,436m one year ago. The return on equity after tax was 2.7% in the first three months of 2009, which compares to -0.4% for the first three months of 2008. Earnings per share after tax were DKK 4.2 for the first three months of 2009.

Solvency

At 31 March 2009, the solvency ratio was 20.8% compared to 20.8% at 31 December 2008.

Risk-weighted items amounted to DKK 7,087m at 31 March 2009 compared to DKK 7,208m at 31 December 2008.

Liquidity and funding

The Group's excess coverage relative to statutory liquidity requirements was 194% at the end of Q1 of 2009 compared to 193% at year-end 2008.

With the temporary credit facility from the Danish Central Bank, the Group gained a buffer without any interest cost on the undrawn facility. That is the main explanation for the present high excess coverage.

In Q1 the Group has not experienced any problems with obtaining sufficient funding. But the Group has to a certain extent exploited the advantage of this situation on the basis of the relative short horizon of the funding offered. The extension of the guarantee until 2013 provided in the second bank package has made it possible to obtain three year funding.

Balance Sheet

The Group's total assets amounted to DKK 9,804m at 31 March 2009, a decrease of DKK 270m since the beginning of the year.

Currency risk and interest risk relating to loans are hedged with swaps. Based on the developments in the international money market, there is a certain insecurity regarding the evaluation of bonds and shares, as the market has been unstable over the last months. Even though there has been a positive trend on the securities markets in April.

Due to credit institutions and depositors are all floating-rated, in addition to the fact that there is no mentionable currency risk placed on the Group. The currency risk is covered with swaps. There is therefore no insecurity regarding the Group's liabilities on 31 March 2009.

Loans and Advances

Loans and advances decreased from DKK 7,740m to DKK 7,578m or by DKK 162m from the beginning of the year. Loans and advances decreased by DKK 36m from 31 March 2008 to 31 March 2009. The decrease in lending in the first

three months of 2009 is mainly due to a reduction in the economic growth and investments in the home market. Furthermore the Bank has actively pursued to decrease the proportion of large exposures through loan syndications mainly together with foreign banks in order to diminish the credit risk. Large exposures have decreased significantly, from 100% of the groups equity, to 73% in Q1 2009 and the largest corporate segment decreased from 12% of the loan portfolio to 9% compared to Q1 2008.

Loans from Credit Institutions and Central Banks

Loans from credit institutions, central banks and issued bonds amounted to DKK 2,501m at 31 March 2009, a decrease of 11% compared to DKK 2,817m at the beginning of the year. In the next 12 months DKK 1.4bn of loans will expire. DKK 245m in December and DKK 1,150m in March 2010. It is expected that the expiring loans will be refunded.

Deposits

Deposits amounted to DKK 5,472m at the end of March 2009, which is a minor reduction of DKK 21m at the beginning of the year. The reduction in deposits is mainly an effect of not renewing the most expensive time deposits.

Other Issues

Danish activities

Føroya Banki is focusing on providing new and simple savings opportunities within pension savings to employees of Danish firms, by

partnership with selected partners in the Danish pension market.

Events after the balance sheet date

In April Føroya Banki P/F has signed a letter of intent with Danish IT provider Skandinavisk Data Center (SDC). Furthermore, the parties have agreed that Føroya Banki will become shareholder in SDC. SDC will expectedly become Føroya Banki's primary IT provider of banking systems from first half 2010.

Financial Highlights – 5-years summary

Income statement	Føroya Banki Group			P/F Føroya Banki, previous GAAP		
	Q1 2009	Q1 2008	Full year 2008	Q1 2007	Q1 2006	Q1 2005
DKK, 1,000						
Interest income	168,844	153,533	658,485	105,270	74,215	72,889
Interest expenses	67,075	77,331	331,075	36,290	16,324	15,044
Net interest income	101,769	76,202	327,410	68,980	57,891	57,845
Dividends from shares and other investments	37	597	5,436	97	167	45
Fee and commission income	10,724	8,696	48,669	10,003	6,420	4,632
Fee and commissions paid	84	39	189	66	80	39
Net interest and fee income	112,446	85,456	381,326	79,013	64,398	62,482
Premium income, net of reinsurance	19,714	16,602	73,520			
Claims, net of reinsurance	8,595	23,501	54,056			
Interest and fee income and income from insurance activities, net	123,564	78,558	400,790	79,013	64,398	62,482
Market value adjustments	8,759	-15,772	-73,397	12,672	-4,064	1,919
Other operating income	-722	-541	91,638	-1,168	-398	19
Staff costs and administrative expenses	49,358	50,114	203,546	44,626	33,468	32,697
Depreciation and impairment of property, plant and equipment	746	1,677	5,618	2,583	1,365	2,534
Other operating expenses	7,325	0	7,524	8	0	0
Impairment charges on loans and advances etc.	22,583	16,496	93,833	-5,172	-2,761	-4,011
Income from associated and subsidiary undertakings	0	2,820	2,820	5,292	2,109	1,892
Profit before tax	51,590	-3,222	111,332	53,764	29,973	35,093
Tax	9,286	2,101	16,441	9,766	5,447	7,019
Net profit for the period	42,305	-5,323	94,891	43,998	24,526	28,074

Balance sheet DKK 1,000	Føroya Banki Group			P/F Føroya Banki, previous GAAP		
	March 31 2009	March 31 2008	Full year 2008	March 31 2007	March 31 2006	March 31 2005
Cash in hand and demand deposits with central banks	741,796	638,795	831,374	45,034	71,281	103,673
Due from credit institutions and central banks	102,668	97,206	139,405	148,172	296,510	92,740
Loans and advances at amortised cost	7,577,552	7,613,745	7,739,629	5,803,633	4,364,074	3,596,939
Bonds at fair value	1,021,154	933,126	940,201	772,975	1,441,667	1,755,524
Shares, etc.	74,498	137,347	91,610	136,802	117,156	16,769
Assets under insurance contracts	17,932	23,325	22,959			
Holdings in associates	27,846	27,846	27,846	34,399	4,713	4,921
Holdings in subsidiaries	0	0	0	112,919	124,467	122,644
Total land and buildings	136,707	137,531	137,222	62,526	60,161	63,971
investment property	2,500	2,500	2,500			
domicile property	134,207	135,031	134,722			
Other property, plant and equipment	6,638	8,473	10,632			
Deferred tax assets	11,138	105	11,295			
Assets held for sale	34,251	23,859	29,647			
Own shares	0	0	0	0	0	2
Other assets	42,741	39,992	80,891	26,881	22,765	24,095
Prepayments	8,636	8,629	10,898	6,736	6,213	5,428
Total assets	9,803,558	9,689,980	10,073,608	7,150,077	6,509,007	5,786,707
Shareholders' equity and liabilities						
Due to credit institutions and central banks	2,001,090	2,635,617	2,317,290	841,717	99,987	59,643
Deposits and other debt	5,472,067	5,350,016	5,494,199	4,908,917	5,213,885	4,015,058
Issued bonds at amortised cost	499,843	0	500,000			
Liabilities under insurance contracts	47,367	62,020	47,270			
Current tax liabilities	25,747	219	2,020			
Other liabilities	158,031	179,234	151,627	106,929	81,085	122,738
Deferred income	13,282	13,739	15,140	0	0	0
Total liabilities	8,217,427	8,240,845	8,527,545	5,857,562	5,394,957	4,197,439
Provisions for liabilities						
Provisions for deferred tax	9,692	10,871	11,226			
Other provisions for liabilities	26,092	2,596	3,819	2,998	3,414	3,992
Total provisions	35,785	13,467	15,045	2,998	3,414	3,992
Shareholders' equity (Tier 1)						
Share capital	200,000	200,000	200,000	200,000	200,000	100,000
Reserve, Equity Method	0	0	0	2,839	10,912	9,402
Retained earnings	1,350,346	1,235,668	1,331,018	1,086,678	899,723	1,475,874
Proposed dividends	0	0	0			
Total shareholders' equity	1,550,346	1,435,668	1,531,018	1,289,517	1,110,636	1,585,276
Total liabilities and equity	9,803,558	9,689,980	10,073,608	7,150,077	6,509,007	5,786,707
Contingent liabilities	438,375	446,837	508,901	363,634	233,407	149,799

Ratios and key figures	Føroya Banki Group			P/F Føroya Banki, previous GAAP		
	March 31 2009	March 31 2008	Full year 2008	March 31 2007	March 31 2006	March 31 2005
Solvency						
Solvency ratio, %	20.8	19.2	20.8	23.0	25.7	45.4
Core capital ratio, %	21.0	19.3	20.9	23.1	25.7	45.5
Profitability						
Return on equity before tax, %	3.3	-0.2	7.4	4.2	2.7	2.2
Return on equity after tax, %	2.7	-0.4	6.3	3.5	2.2	1.8
Income / cost ratio, DKK	1.64	0.95	1.36	2.3	1.9	2.1
Market risk						
Interest rate risk, %		1.8	2.2	1.5	2.7	2.2
Foreign exchange position, %	0.9	16.9	1.3	11.4	10.9	5.1
Foreign exchange risk, %	0.0	0.1	0.0	0.0	0.0	0.0
Credit risk						
Large exposures as a percentage of equity, %	73.2	100.3	84.1	123.3	36.9	10.9
Share of amounts due on which						
Impairment and provisioning ratio, %	3.7	2.4	3.4	4.6	7.4	10.7
Write-off and impairments ratio, %	0.3	0.2	1.1	-0.1	-0.1	-0.1
Growth on loans and advances, %	-2.1	0.9	2.5	7.3	7.2	-1.1
Gearing of loans and advances	4.9	5.3	5.1	4.5	3.9	2.3
Liquidity						
Loans, advances and impairments in relation to deposits, %	144.1	146.0	146.0	124.3	90.8	100.8
Excess cover relative to statutory liquidity requirements, %	193.8	96.4	193.0	62.3	213.5	315.6
Shares						
Earnings per share before tax, DKK (1)	25.8	-1.6	55.7	26.9	15.0	35.1
Earnings per share after tax, DKK (1)	21.2	-2.7	47.4	22.0	12.3	28.1
Book value per share, DKK (1)	775	718	766	645	555	1,585
Market price / Book value per share, DKK (1)	0.78	1.02	0.78	N/A	N/A	N/A
P/E Ratio, DKK (1)	28.7	-275.9	12.6	N/A	N/A	N/A

These ratios and key figures have been prepared in correspondence with regulations from the Danish Financial Supervisory Authority.

(1) In accordance with the guidelines from the Danish Financial Supervisory Authority the denomination of the shares has been converted from DKK 20 to DKK 100. The conversion affects the figures from 1 January 2007.

Statement by the Executive Board and the Board of Directors

Today we have reviewed and approved the quarterly report for Q1 2009 of P/F Føroya Banki.

The consolidated Interim Financial Report for the first three months of 2009 is prepared in accordance with IAS 34 Interim Financial Reporting as approved by the EU. Furthermore the consolidated quarterly report has been prepared in accordance with additional Faroese disclosure requirements for quarterly reports of listed financial companies and in accordance with the financial reporting requirements of the OMX Nordic Exchanges in Iceland and in Copenhagen.

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 assets, shareholders' equity and liabilities and financial position at 31 March 2009, and of the results of the Group's operations and consolidated cash flows for the financial period 1 January to 31 March 2009.

Tórshavn, 6 May 2009

Executive Board

Janus Petersen

Súni Schwartz Jacobsen

Board of Directors

Klaus Rasmussen
Chairman

Jens Erik Christensen

Wilhelm E. Petersen

Keld Søndergaard Holm

Olav Enomoto

Sigmar Jacobsen

Internal Auditor's Review Report

To the Shareholders of P/F Føroya Banki

According to an agreement with the Bank's Board of Directors, we have reviewed the accompanying consolidated Interim Balance Sheet of P/F Føroya Banki and its subsidiaries as of 31 March 2009, and the related consolidated Interim Statement of Income, Interim Cash Flows and Notes for the three months ending 31 March 2009. The consolidated Interim Financial Statement is the responsibility of the Bank's management. Our responsibility is to issue a report on the consolidated Interim Financial Statement based on our review.

Basis of Opinion

We conducted our review in accordance with generally accepted review standards as applied on the Faroe Islands. This standard requires that we plan and perform the review to obtain limited assurance as to whether the preliminary financial information is free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated Interim Financial Statement does not give a true and fair view of the financial position of the Group as of 31 March 2009, and of the results of its operations and its cash flows for the three months ending 31 March 2009 in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU.

Tórshavn, 6 May 2009

Petur A. Johannesen
Chief Auditor

Accounting Policies

The consolidated financial statement for the first quarter of 2009 has 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 OMX Nordic Exchanges in Iceland and in Copenhagen.

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 has decided to present its accounts in accordance with the IFRS with effect from 1 January 2009 and to restate comparative figures for 2008.

Føroya Banki has issued an IFRS Reconciliation Document which describes the new accounting policy of the Group and the effect of the transition to IFRS in details. The IFRS Reconciliation Document is available at www.foroya.fo , investor relations.

Income Statement

Føroya Banki Group

Note	DKK 1,000	Q1 2009	Q1 2008	Full year 2008
1	Interest income	168,844	153,533	658,485
2	Interest expenses	67,075	77,331	331,075
	Net interest income	101,769	76,202	327,410
3	Dividends from shares and other investments	37	597	5,436
4	Fee and commission income	10,724	8,696	48,669
	Fee and commissions paid	84	39	189
	Net interest and fee income	112,446	85,456	381,326
	Premium income, net of reinsurance	19,714	16,602	73,520
	Claims, net of reinsurance	8,595	23,501	54,056
	Interest and fee income and income from insurance activities, net	123,564	78,558	400,790
5	Market value adjustments	8,759	-15,772	-73,397
	Other operating income	-722	-541	91,638
6	Staff costs and administrative expenses	49,358	50,114	203,546
	Depreciation and impairment of property, plant and equipment	746	1,677	5,618
	Other operating expenses	7,325	0	7,524
9	Impairment charges on loans and advances etc.	22,583	16,496	93,833
	Income from associated and subsidiary undertakings	0	2,820	2,820
	Profit before tax	51,590	-3,222	111,332
7	Tax	9,286	2,101	16,441
	Net profit for the period	42,305	-5,323	94,891
	EPS Basic for the period, DKK*	4.34	-0.54	9.57
	EPS Diluted for the period, DKK *	4.34	-0.54	9.57

* Based on average number of shares outstanding, see page 31

Balance Sheet

Føroya Banki Group

Note	March 31 2009	March 31 2008	Full year 2008	
Assets				
	Cash in hand and demand deposits with central banks	741,796	638,795	831,374
8	Due from credit institutions and central banks	102,668	97,206	139,405
9,10,11	Loans and advances at amortised cost	7,577,552	7,613,745	7,739,629
12	Bonds at fair value	1,021,154	933,126	940,201
13	Shares, etc.	74,498	137,347	91,610
	Assets under insurance contracts	17,932	23,325	22,959
	Holdings in associates	27,846	27,846	27,846
	Total land and buildings	136,707	137,531	137,222
	investment property	2,500	2,500	2,500
	domicile property	134,207	135,031	134,722
	Other property, plant and equipment	6,638	8,473	10,632
	Deferred tax assets	11,138	105	11,295
	Assets held for sale	34,251	23,859	29,647
	Other assets	42,741	39,992	80,891
	Prepayments	8,636	8,629	10,898
	Total assets	9,803,558	9,689,980	10,073,608
Shareholders' equity and liabilities				
14,15	Due to credit institutions and central banks	2,001,090	2,635,617	2,317,290
16,17	Deposits and other debt	5,472,067	5,350,016	5,494,199
18	Issued bonds at amortised cost	499,843	0	500,000
	Liabilities under insurance contracts	47,367	62,020	47,270
	Current tax liabilities	25,747	219	2,020
	Other liabilities	158,031	179,234	151,627
	Deferred income	13,282	13,739	15,140
	Total liabilities	8,217,427	8,240,845	8,527,545
Provisions for liabilities				
	Provisions for deferred tax	9,692	10,871	11,226
	Other provisions for liabilities	26,092	2,596	3,819
	Total provisions	35,785	13,467	15,045
Shareholders' equity (Tier 1)				
	Share capital	200,000	200,000	200,000
	Retained earnings	1,350,346	1,235,668	1,331,018
	Proposed dividends			
	Total shareholders' equity	1,550,346	1,435,668	1,531,018
	Total liabilities and equity	9,803,558	9,689,980	10,073,608
19	Contingent liabilities			
	Guarantees, etc.	364,698	446,837	435,223
	Other commitments	73,677	0	73,677
	Total	438,375	446,837	508,901

Shareholders Equity

Føroya Banki Group

DKK 1,000	Share capital	Equity method reserve	Revaluation reserve	Proposed dividends	Retained earnings	Total
Shareholders' equity at 1 January 2009	200,000				1,331,018	1,531,018
Property revaluation						
Tax on entries on shareholders' equity						
Net gains not recognised in the income statement						
Net profit for the period					42,305	
Total income					42,305	
Dividends paid						
Proposed dividends						
Acquisition of own shares					-31,510	
Sale of own shares					8,533	
Shareholders' equity at 31 March 2009	200,000				1,350,346	1,550,346

DKK 1,000	Share capital	Equity method reserve	Revaluation reserve	Proposed dividends	Retained earnings	Total
Shareholders' equity at 1 January 2008	200,000				1,279,431	1,479,431
Property revaluation						
Tax on entries on shareholders' equity						
Net gains not recognised in the income statement						
Net profit for the period					-5,323	
Total income					-5,323	
Dividends paid					-45,000	
Proposed dividends						
Acquisition of own shares					-15,379	
Sale of own shares					21,939	
Shareholders' equity at 31 March 2008	200,000				1,235,668	1,435,668

Capital base and solvency

Føroya Banki Group

DKK 1,000	March 31 2009	March 31 2008	Dec. 31 2008
Solvency			
Core capital after deduction	1,484,986	1,428,921	1,507,806
Base capital after deduction	1,473,069	1,422,279	1,495,889
Risk-weighted items not included in the trading portfolio	6,458,121	6,592,874	6,676,923
Risk-weighted items with market risk etc.	628,571	821,839	531,299
Total risk-weighted items	7,086,692	7,414,713	7,208,222
Core capital after deduction of % of risk-weighted items	21.0%	19.3%	20.9%
Solvency ratio	20.8%	19.2%	20.8%
Core Capital and Shareholders' equity			
Share capital	200,000	200,000	200,000
Net profit	0	-5,323	94,891
Retained earnings, previous years	1,308,042	1,240,991	1,236,127
Core capital	1,508,042	1,435,668	1,531,018
Net profit	42,305	0	0
Revaluation reserve	0	0	0
Shareholders' equity	1,550,346	1,435,668	1,531,018
Deduction of net profit	42,305	0	0
Deduction of deferred tax assets	11,138	105	11,295
Deduction of insurance subsidiaries	11,917	6,642	11,917
Core capital after deduction	1,484,986	1,428,921	1,507,806
Base capital			
Core capital after deduction	1,484,986	1,428,921	1,507,806
Deduction of insurance subsidiaries	11,917	6,642	11,917
Base capital after deduction	1,473,069	1,422,279	1,495,889

The Føroya Banki Group holds a licence to operate as a bank and is therefore subject to a capital requirement under the Faroese Financial Business Act. 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 core capital and subordinate capital. The core capital corresponds largely to the carrying amount of the equity, not including intangible assets, investments in insurance subsidiaries, holdings in credit institutions etc.

The difference between the carrying amount of equity and the core capital appears from the solvency statement below. Subordinate investments may, in certain circumstances, be included in the capital base. For details, see sections 123, 132 and 136 of the Faroese Financial Business Act. The subordinate capital is described in note 13. The capital management policy aims to ensure efficient use of capital in relation to risk tolerance and general business trends. The Group must have sufficient capital to meet the statutory capital requirements.

Cash flow statement

Føroya Banki Group

DKK 1,000	Q1 2009	Q1 2008	Full year 2008
Net profit for the first three months	42,305	-5,323	94,891
Adjustment of non-liquid operating items, etc.:			
Impairment of loans and advances/guarantees	34,300	19,565	108,876
Depreciation of tangible assets	747	1,677	5,618
Value adjustments, bonds	10,122	-5,735	4,913
Value adjustments, shares	1,765	13,248	69,888
Value adjustments, derivatives	13,808	0	0
Result from associates	0	-2,820	-2,820
Tax charged to the income statement	9,286	2,101	16,441
Paid tax	0	0	-36,016
Earnings	112,332	22,712	261,790
Change in loans	127,778	-76,482	-270,494
Change in holding of bonds	-91,075	12,950	-4,773
Change in holding of shares	15,443	5,941	-4,963
Change in other assets	52,435	19,599	-2,117
Change in deposits	-113,406	-102,057	42,126
Due to credit institutions and central banks	-316,356	-5,070	-323,398
Other liabilities	-10,528	10,211	-35,553
Assets/liabilities under insurance contracts	5,124	13,870	-515
Prepayments	2,263	-280	-2,549
Provisions for commitments	22,273	2,392	19,451
Cash flow from operating activities	-193,718	-96,215	-320,996
Acquisition/sale of tangible assets	-842	-1,554	-26,956
Acquisition/sale of investments	0	0	13,825
Cash flow from investing activities	-842	-1,554	-13,131
Issue of bonds			500,000
Acquisition/sale of own shares	-22,976	6,560	1,696
Dividends paid	0	-45,000	-45,000
Cash flow from financing activities	-22,976	-38,440	456,696
Cash flow for the period	-217,537	-136,209	122,569
Cash in hand and demand deposits with central banks, and due from credit institutions, etc. at the beginning of the year	1,062,001	872,210	872,210
Cash flow for the period	-217,537	-136,209	122,569
Cash and due etc. at the end of the period	844,465	736,001	994,778
Cash and due etc. at the end of the period			
Cash in hand and demand deposits with central banks	741,796	636,599	855,374
Due from credit institutions, etc.	102,668	99,402	139,405
Total	844,465	736,001	994,778

Notes to the income statement

Føroya Banki Group

Note	DKK 1,000	Q1 2009	Q1 2008	Full Year 2008
1	Interest income and premiums on forwards			
	Credit institutions and central banks	4,392	3,511	18,590
	Loans and advances	154,719	142,003	619,761
	Bonds	12,858	7,359	16,059
	Total derivatives of which:	-2,812	661	4,054
	<i>Currency contracts</i>	-2,812	663	1,271
	<i>Interest rate contracts</i>	0	-3	2,783
	<i>Other transactions</i>	0	0	0
	Other contracts	-314	0	21
	Total interest income	168,844	153,533	658,485
	Of which accounted for by income from genuine sale and repurchase transactions:			
	Credit institutions and central banks	0	0	0
2	Interest expenses			
	Credit institutions and central banks	16,932	31,640	134,879
	Deposits	41,976	45,691	194,951
	Issued Bonds	8,167	0	1,245
	Total interest expenses	67,075	77,331	331,075
	Of which interest expenses on genuine sale and repurchase transactions are carried under:			
	Credit institutions and central banks	0	0	0
3	Dividends from			
	Shares	37	597	3,752
	Associates	0	0	1,684
	Total	37	597	5,436
4	Fee and commission income			
	Securities trading & custody accounts	368	66	2,815
	Credit transfers	2,700	3,139	12,501
	Loan commissions	3,429	2,488	15,576
	Guarantee provisions	1,324	1,890	7,891
	Other fees and commissions	2,903	1,113	9,886
	Total	10,724	8,696	48,669

Notes to the income statement

Føroya Banki Group

Note	DKK 1,000	Q1 2009	Q1 2008	Full Year 2008
5	Value adjustments			
	Loans and advances	11,717	1,857	23,041
	Bonds	10,122	6,911	-4,913
	Shares	-1,669	-20,024	-69,814
	Foreign exchange	2,386	-485	2,902
	Total derivatives of which:	-13,797	-4,031	-24,613
	<i>Currency Swaps</i>	-1,925	-2,014	-1,721
	<i>Interest Swaps</i>	-11,872	-2,017	-22,891
	Total value adjustments	8,759	-15,772	-73,397
6	Employee and administrative expenses			
	Board of Directors	405	450	1,547
	Executive Board	1,260	1,260	5,106
	Total	1,665	1,710	6,653
	Employee expenses:			
	Salaries	21,337	22,756	97,254
	Pensions	1,985	2,148	8,239
	Social security expences	1,309	1,648	7,851
	Total	24,631	26,552	113,344
	Other administrative expenses	23,062	21,852	83,549
	Total employee and administrative expenses	49,358	50,114	203,546
7	Tax			
	Estimated tax on the profit for the period	9,286	2,199	27,470
	Adjustment of deferred tax assets	0	-98	-11,030
	Total	9,286	2,101	16,441
	Breakdown of tax liability			
	Estimated tax (18%) on profit from ordinary activities	9,286	1,340	37,989
	Tax value of non-taxable income	-119	1,133	-6,648
	Tax value of non-deductible expenses	118	-274	-3,870
	Adjustment of tax assets	0	-98	-11,030
	Tax charged to the income statement	9,286	2,101	16,441
	Effective tax rate (tax charged to the income statement relative to profit (loss) from ordinary activities before tax)	17.9%		

Estimated tax for Q1 2008 and full year 2008 is based on results before tax in accordance with previous accounting principle

Notes to the balance sheet

Føroya Banki Group

Note	DKK 1,000	Q1 2009	Q1 2008	Full Year 2008
8	Due from credit institutions etc. specified by maturity			
	On demand	102,668	97,206	139,405
	3 months and below	0	0	0
	3 months to 1 year	0	0	0
	Total	102,668	97,206	139,405
9	Loans and advances specified by sectors			
	Public authorities	5%	5%	5%
	Corporate sector:			
	Fishing industry	8%	12%	9%
	Manufacturing industries etc.	6%	5%	5%
	Building and construction etc.	4%	3%	4%
	Trade, hotels and restaurants	7%	8%	7%
	Transport, mail and telephone	9%	7%	9%
	Property administration, purchase and sale and business services	5%	4%	5%
	Other industries	9%	9%	10%
	Total corporate sector	48%	47%	50%
	Retail customers	47%	48%	45%
	Total	100%	100%	100%
10	Loans and advances specified by maturity			
	On demand	202,518	106,498	115,771
	3 months and below	254,430	356,565	303,456
	3 months to 1 year	609,839	655,237	521,706
	Over 1 year to 5 years	1,852,455	1,825,102	1,793,244
	Over 5 years	4,658,310	4,670,343	5,005,452
	Total loans and advances	7,577,552	7,613,745	7,739,629

Notes to the balance sheet

Føroya Banki Group

Note	DKK 1,000	Q1 2009	Q1 2008	Full Year 2008
11	Changes in impairments and provisions			
	Loan impairment charges and provisions for guarantees, beginning of period	284,172	176,872	176,872
	Impairment/provisions for the period	18,548	16,777	91,224
	Recognised loss already covered by impairment charges/provisions	-70	-169	1,032
	Interest adjustment	4,069	3,069	15,044
	Total impairment balance and provisions, end of period	306,718	196,549	284,172
	Loan impairment	306,718	196,549	284,172
	Provisions for guarantees	0	0	0
	Total impairment balance and provisions, end of period	306,718	196,549	284,172
	Impairment/provisions for the period	22,617	16,608	94,327
	Recognised loss not already covered by impairment charges/provisions	53	29	234
	Recoveries of claims previously written off	-87	-141	-728
	Net effect on the Income Statement	22,583	16,496	93,833
	Individual loan impairment charges, beginning of the period	255,150	176,860	176,860
	Loan impairment for the period	33,760	10,233	66,562
	Recognised loss already covered by impairment charges	-70	-169	-1,032
	Interest adjustment	2,789	2,955	12,759
	Individual loan impairment charges, end of the period	291,629	189,880	255,150
	Individual provisions for loss on guarantees, beginning of period	0	0	0
	Provisions for the period	0	0	0
	Recognised loss already covered by provisions	0	0	0
	Individual provisions for loss on guarantees, end of period	0	0	0
	Collective loan impairment charges, beginning of period	29,022	11	11
	Loan impairment for the period	-15,212	6,545	26,725
	Interest adjustment	1,280	114	2,285
	Collective loan impairment charges, end of period	15,089	6,669	29,022
	Collective provisions for loss on guarantees, beginning of period	0	0	0
	Provisions for the period	0	0	0
	Collective provisions for loss on guarantees, end of period	0	0	0
12	Bonds			
	Listed	1,021,154	933,126	940,201
	Unlisted	0	0	0
	Total bonds	1,021,154	933,126	940,201
13	Shares			
	Listed	61,988	127,775	72,550
	Other investments	12,510	9,572	19,060
	Total shares	74,498	137,347	91,610

Notes to the balance sheet

Føroya Banki Group

Note	DKK 1,000	Q1 2009	Q1 2008	Full Year 2008
14	Due to credit institutions and central banks specified by institution			
	Due to central banks	8,027	22,407	16,777
	Due to credit institutions	1,993,062	2,613,210	2,300,512
	Total	2,001,090	2,635,617	2,317,290
15	Due to credit institutions and central banks specified by maturity			
	On demand	288,431	81,680	113,650
	3 months and below	0	620,000	100,000
	3 months to 1 year	1,317,814	0	562,251
	Over 1 year to 5 years	394,845	1,933,937	1,541,388
	Over 5 years	0	0	0
	Total	2,001,090	2,635,617	2,317,290
16	Deposits specified by type			
	On demand	2,098,828	2,331,645	2,026,549
	At notice	1,256,451	1,445,037	1,262,632
	Time deposits	1,517,876	1,050,402	1,602,655
	Special deposits	598,913	522,932	602,362
	Total deposits	5,472,067	5,350,016	5,494,199
17	Deposits specified by maturity			
	On demand	2,098,828	2,331,645	2,058,953
	3 months and below	3,228,877	2,830,437	3,289,762
	3 months to 1 year	13,196	56,279	635
	Over 1 year to 5 years	125,140	130,875	144,849
	Over 5 years	6,026	780	0
	Total deposits	5,472,067	5,350,016	5,494,199
18	Issued bonds at amortised cost			
	3 months to 1 year	499,843	0	500,000
	Total issued bonds	499,843	0	500,000
19	Contingent liabilities			
	Guarantees, etc.:			
	Financial guarantees	3,793	11,089	11,183
	Other guarantees	360,904	435,748	424,040
	Total guarantees, etc.	364,698	446,837	435,224
	Other commitments	73,677	0	73,677
	Total	438,375	446,837	508,901

Notes

Føroya Banki Group

20 Provisions of security

The Bank has provided security for outstanding amounts from customers for the repayment of loan from Danske Bank of DKK 149m. Furthermore, the Bank has deposited bonds at a total market value of DKK 49m with Danmarks Nationalbank (The Danish Central Bank) in connection with clearing.

21 Related party transactions

There were no unusual transactions between related parties in 2009. There have been intercompany transactions with the group enterprises and associates in 2009. These transactions typically included financing, commission for referred business, sale of services and other shared costs. These transactions took place on market terms.

	Retail & Corporate banking	Markets & Treasury	Other*	Total
22 Segments 31.03.2008				
Net interest income and income from insurance activities, net	69,502	19,136	-10,080	78,558
Profit before tax	29,645	-8,362	-24,505	-3,222
Segments 31.03.2009				
Net interest income and income from insurance activities, net	104,680	6,302	12,582	123,564
Profit before tax	45,855	16,210	-10,475	51,590

* Other includes Trygd, Skyn, eliminations, and Føroya Banki's overhead costs

23 Shareholders

At the end of the period the following shareholders had notified the authorities the they hold 5% or more of the Bank's share capital:

- Fíggjngargrunnurin frá 1992 (Faroe Islands)
- Sp/F Blábjørg (Faroe Islands)
- P/F Lago (Faroe Islands)
- Sp/F 14 (Faroe Islands)

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	Proportion of share capital	Activity
P/F Trygd	100%	insurance company
P/F Skyn	100%	real estate
Føroya Bank Holding A/S	100%	no activity

25 Own shares

	Q1	Q1	Full year
DKK 1,000	2009	2008	2008
Net profit for the period per share			
Net profit for the period	42,305	-5,323	94,891
Average number of shares outstanding	9,756,239	9,900,618	9,911,432
Number of dilutive shares issued	0	0	0
Average number of shares outstanding, diluted	0	0	0
Net profit for the period per share, DKK	4.34	-0.54	9.57
Diluted net profit for the period per share, DKK	4.34	-0.54	9.57

The share capital is made up of shares of a nominal value of DKK 20 each. All shares carry the same rights. Thus there is only one class of shares.

Average number of shares outstanding

Issued shares at the beginning of the period	10,000,000	10,000,000	10,000,000
Increase in share capital	0	0	0
Issued shares at 31 March	10,000,000	10,000,000	10,000,000
Group's holding of own shares	243,761	99,383	88,568
Shares outstanding at the end of the period	9,756,239	9,900,618	9,911,432

Additional Information

In connection with the publication of the Q1 results Føroya Banki will host an audio cast with analysts and investors and publish a presentation on the website.

The audio cast will take place on Wednesday May 6th, at 13:00 (GMT +1), 14:00 (CET).

If you would like to participate in the audio cast, please dial the relevant number below a few minutes before the conference starts:

UK participants dial: + 44 208 817 9301

Danish participants dial: + 45 327 147 67

US participants dial: + 1 718 354 1226

International Participants dial: + 44 (0) 208 817 9301

The presentation will be accessible on the website at www.foroya.fo.

Financial calendar

Interim financial statement – first half of 2009 05 August 2009

Interim financial statement – first nine months of 2009 05 November 2009

Contacts

Janus Petersen, CEO

Tel.: +298 330 330

Investor Relations: ir@foroya.fo

Address

Føroya Banki

Húsagøta 3

FO-100 Tórshavn

Tel.: +298 330 330

Reg.No. 10

Useful links

www.foroya.fo

www.trygd.fo

www.skyn.fo