

Core operations improved in 2021

- Solid foundation for achieving 2024 targets

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Árni Ellefsen, CEO

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Overview

- **Highlights of 2021 and Q4 2021**
- **ESG Reporting**
- **Financials**
 - Operating income
 - Insurance
 - Expenditures
 - Impairment charges
 - Capital ratios
- **Outlook 2022**
- **Appendices**



Highlights in 2021

— a financial year highlighted by divestment of the Danish business

- Divestment of the Group's Danish business successfully executed
- Changes made to organisational structure following the divestment
- Changes to geographical presence have led to revised and adjusted strategy
- Financial targets have been adjusted accordingly
- The sale has significantly reduced REA, leading to accumulated dividend pay-outs of DKK 700m

Highlights of 2021 and Q4 2021

— Changes to prices taking full effect in Q4

Operational and financial highlights

- New loan types with improved terms presented to incentivise conversion to renewable energy sources
- First mortgage credit loans to Faroese corporate customers made in 2021
- Changes to prices and customer concepts increased interest and fee income in Q4
- Insurance claims up 22% in Q4 2021 compared to Q4 2020 and up 20% in 2021 relative to 2020
- Profit before impairment charges up 16% QoQ and up 15% YoY
- Profit before tax from continuing operations of DKK 95m in Q4 2021 and DKK 330m in 2021
- CET1 capital ratio of 23.8% and MREL capital ratio of 29.6% after deducting DKK 700m ex. dividend (450m paid out in October 2021 and 250m to be paid out in March 2022) and DKK 136m in ordinary dividend.

Profit & Loss

<i>DKK</i> m	Q4 2021	Q3 2021	<i>Index</i>	2021	2020	<i>Index</i>
Net interest income	66	65	102	260	258	101
Net fee and commission income	23	19	119	79	60	133
Net insurance income	6	7	86	34	45	75
Other operating income	8	8	96	34	24	139
Operating income	103	99	104	407	387	105
Operating and sector costs	-56	-59	95	-236	-238	99
Profit before impairment charges	46	40	116	171	149	115
Net impairment charges on loans	40	13	311	77	5	1543
Operating profit	86	53	164	248	154	161
Non-recurring items	6	2	408	89	0	
Investment portfolio earnings	2	-1	-178	-6	-2	360
Profit before tax, continuing operations	95	53	179	330	152	217
Profit before tax, discontinued operations	0	0		9	54	17
Profit before tax	95	53	179	340	206	164

Key Metrics

<i>DKK</i> bn	Q4 2021	Q3 2021	<i>Index</i>	2021	2020	<i>Index</i>
Loans and advances	7.6	7.6	100	7.6	7.6	100
Deposits and other debt	7.9	7.4	106	7.9	7.8	102
Mortgage credit	2.7	2.6	102	2.7	2.4	112
	Target					
Operating cost / income, %	< 55.0	55.1	59.9	58.0	61.6	
CET1 capital ratio, %	20.0	23.8	26.1	23.8	22.6	
MREL capital ratio, %	33.0	29.6	31.7	29.6	26.4	
RoE, % (annualised)	> 10.0	13.1	6.9	12.6	7.6	
RoE, excl. one-offs, % (annualised)	> 10.0	12.9	6.8	8.9	5.6	
Combined ratio	85.0	109.0	93.1	101.0	88.8	

ESG Reporting

– *Solutions supporting the green transition*

- Sustainability – an ever more integral part of our business
- We offer a range of green solutions that make it financially attractive for our customers to make green choices.
- Today, we offer the following loans at a reduced interest rate:
 - Green car loan for electric vehicles
 - Environmental home loan for sustainable renovations
 - Green home loan for customers using renewable energy for heating
- We have a unique opportunity to contribute to the transition to a sustainable society and economy

ESG Reporting

— Efforts to minimise our carbon footprint already implemented and more to come

ESG key figures

- During 2021, we defined more ambitious ESG targets
- All direct emissions to be eliminated by 2025
- We expect to have completed the phasing out of all petrol and diesel cars by the end of 2022
- We have begun to convert from fossil fuels to sustainable sources of energy in all our buildings
- New action plan to reduce emissions from our investment activities
- Progress on ESG key figures
 - The divestment of the Danish business has affected the employee turnover ratio and the sickness absence rate
 - Initiatives were launched in 2021 to reduce gender pay ratio

Environmental data	Target (2025)	Status 2021	Status 2020
Co ₂ e, scope 1, metric tonnes	0 (50)	111.7	134.3
Co ₂ e, scope 2, metric tonnes	75	136.6	124.6
Energy consumption, GJ	4,200	5,067	5,328
Renewable energy share, %	65 (50)	30.5	31.6
Social data			
Full-time workforce, FTE		194.7	377.7
Gender diversity, %	40–60	63	60
Gender diversity, Management, %	40–60	49	41
Gender pay ratio, times		1.20	1.30
Employee turnover ratio, %	7	16.3	10.7
Sickness absence, days/FTE	5	8.6	7.8
Governance data			
Gender diversity, Board, %	40-60	20	16.7
Board meeting attendance rate, %	-	100	98.9
CEO pay ratio, times	-	6.7	6.4
Other			
Net promoter score (transactional)	>90	60.6	21

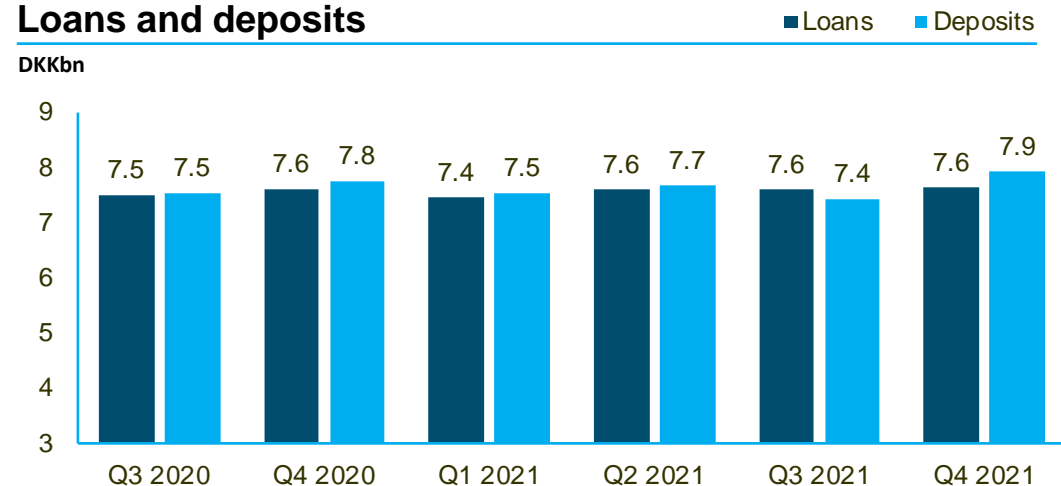
Operating income - Net interest

- Slight improvement, expected to continue in coming quarters

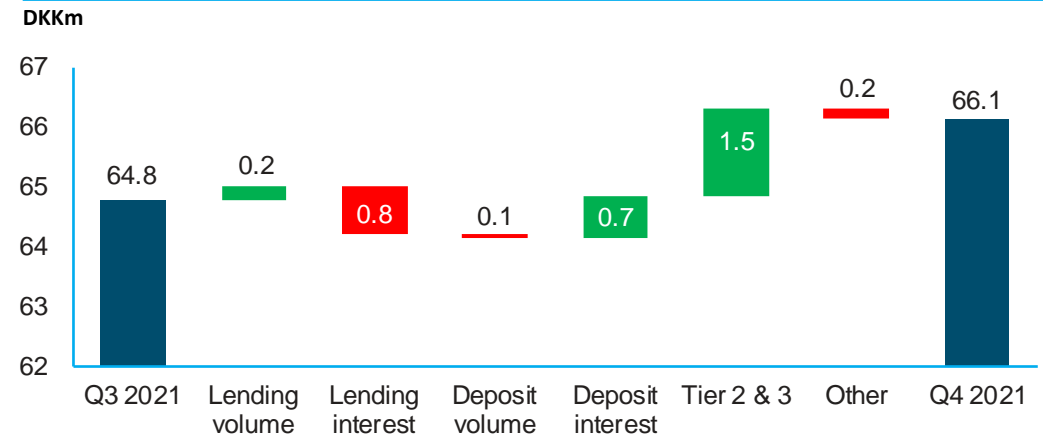
Comments

- Net interest income up DKK 1.3m QoQ and up DKK 2.2m YoY mainly due to negative interest rates on deposits and steady increase in loans
- New green reduced-rate loan types introduced in 2021 with improved terms increase margin pressure
- Changes in negative interest rate brackets increased net interest income from mid-August
- Optimisation of capital funding during the year led to reduced interest expenses of DKK 2.7m
- Lending volumes up by DKK 30m QoQ (DKK 16m YoY)

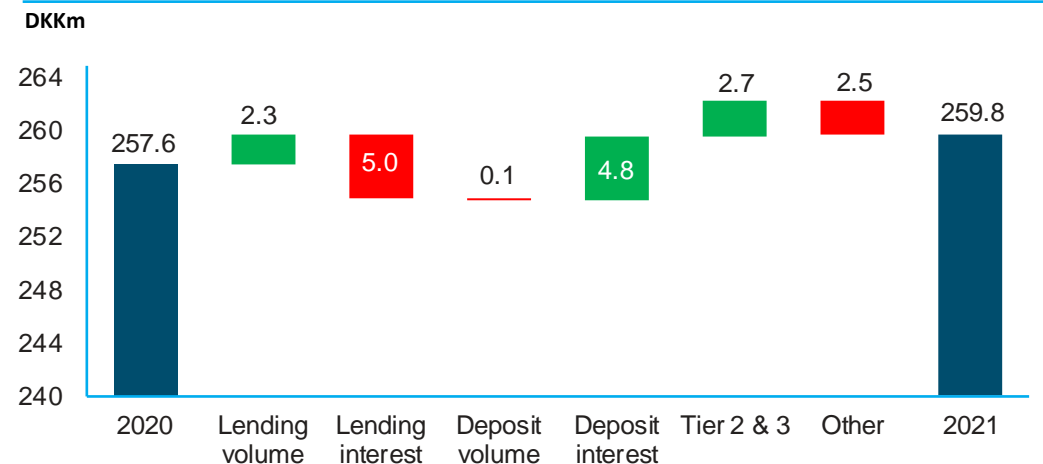
Loans and deposits



QoQ changes in net interest income



YoY changes in net interest income



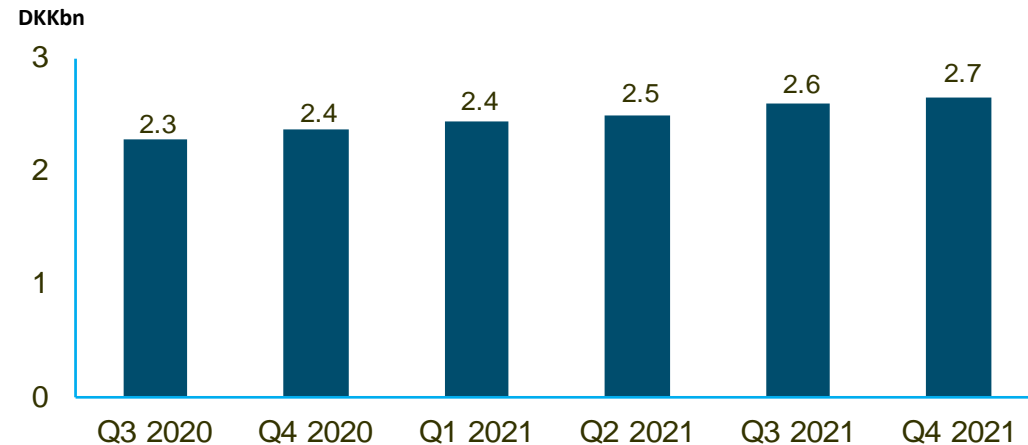
Operating income - Fee and commission income

- Increased prices drive fee and commission income higher

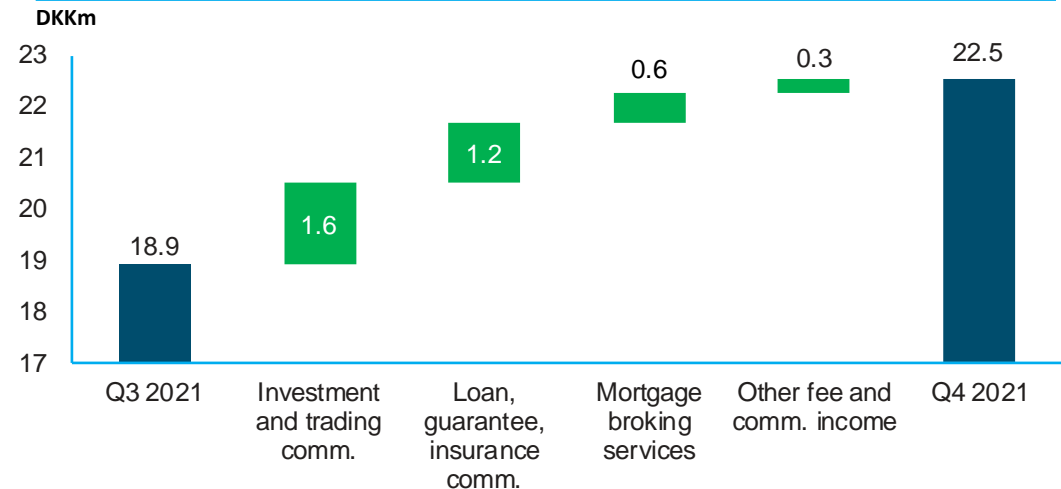
Comments

- Up by DKK 3.8m QoQ and up by DKK 19.5m YoY
- Increase in fee and commission income driven by increases in prices during the year
- High level of activity in corporate segment
- Mortgage-broking services up DKK 48m QoQ (282m YoY)
- Re-negotiated brokering agreement has reduced brokering fees and reduced REA

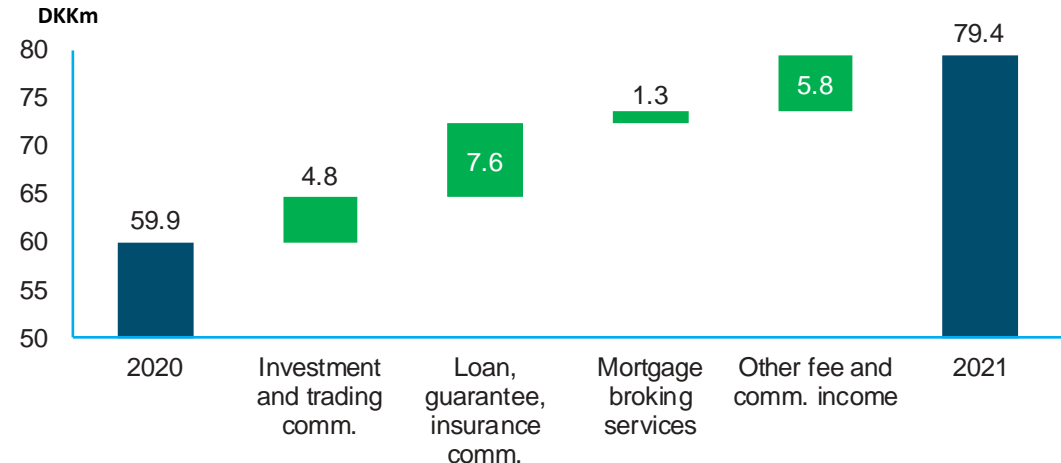
Mortgage-broking services



QoQ changes in fee and commission income



YoY changes in fee and commission income



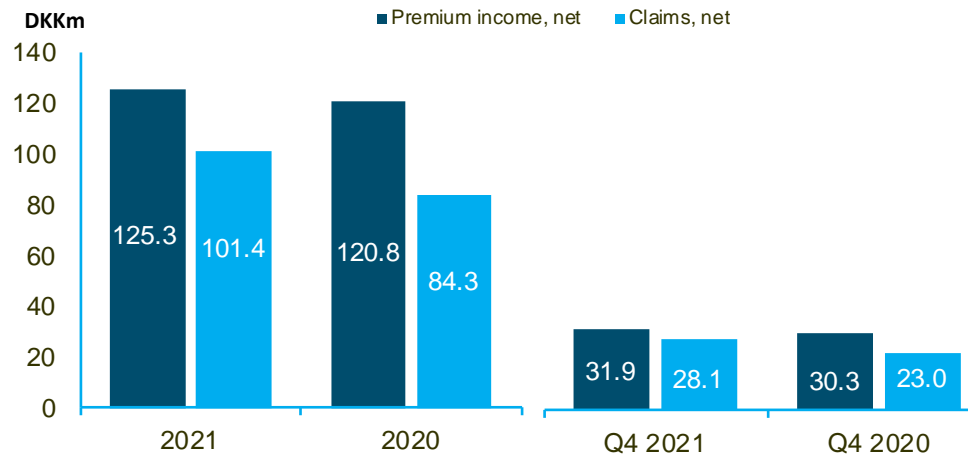
Insurance - Financial results for Trygd

- Negative impact from an increased number of individual major events – Initiatives to improve net insurance income have been implemented

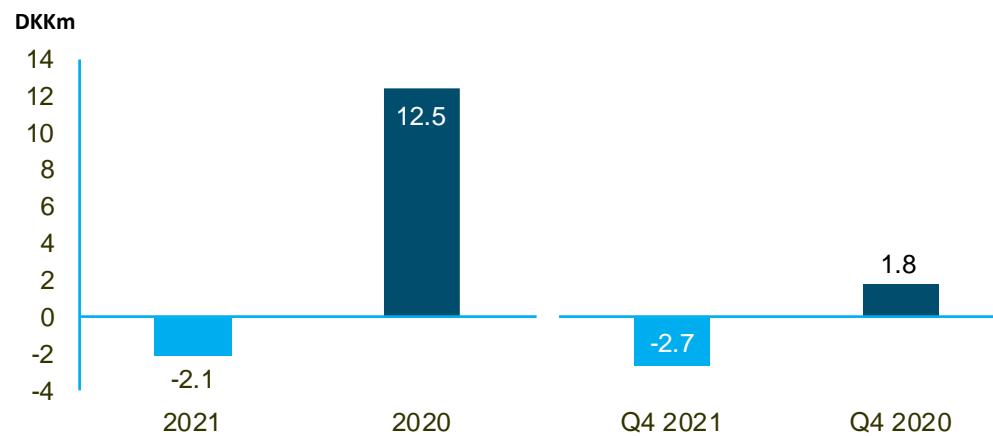
Comments

- Combined ratio of 101% in 2021 compared to 89% in 2020. Ratio high due to several individual major events.
- Net premium income up by DKK 4.5m YoY and up by DKK 1.6m QoQ – driven by general indexation
- Net claims up by DKK 17m YoY and DKK 5m QoQ
- Claims particularly high due to several major events, including housing-fire-related and personal claims.
- In addition to general indexation, conditional and price adjustments implemented in less profitable branches, including
 - Increased premiums on houses and occupational injury insurances
 - Increased own risk on occupational injury insurances
- A normalised level of large claims along with the above changes in premiums and own risk underpins expected improvement in insurance income in 2022

Premiums and claims



Result before tax



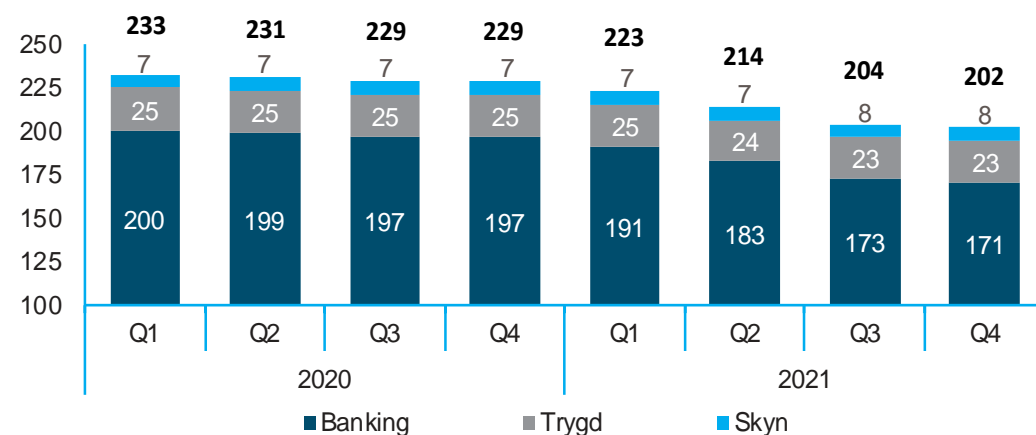
Operating costs

- Reductions in operating costs outweigh staff compensation from divested activities

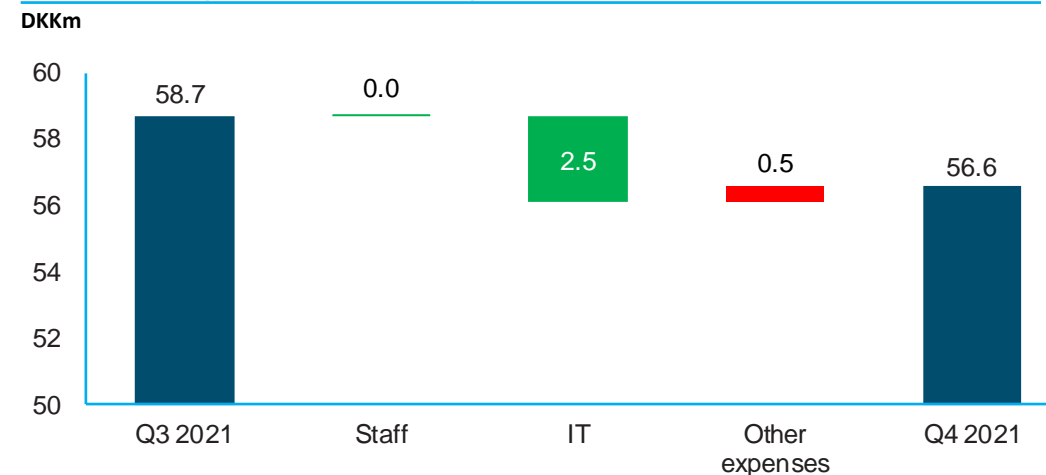
Comments

- Operating costs down by DKK 2.1m QoQ and down by DKK 2.0m YoY
- Compensation for staff costs etc. is no longer received as the sale of the Danish business was executed in Q2 2021. Staff costs and other operating costs are consequently reduced and more than outweigh the compensation from divested activities
- Steady fall in average number of employees

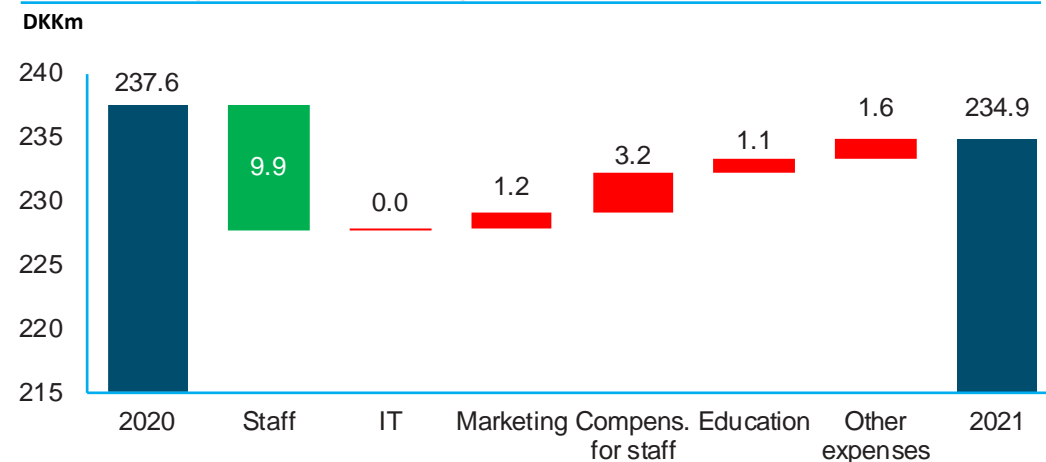
Average number of employees (FTE)



QoQ changes in operating costs



YoY changes in operating costs



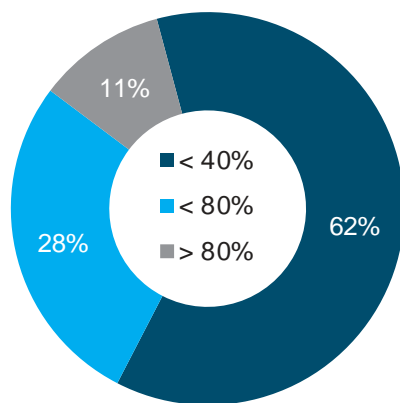
Impairment charges

- Reversals of impairment charges on well-collateralised loan portfolio

Comments

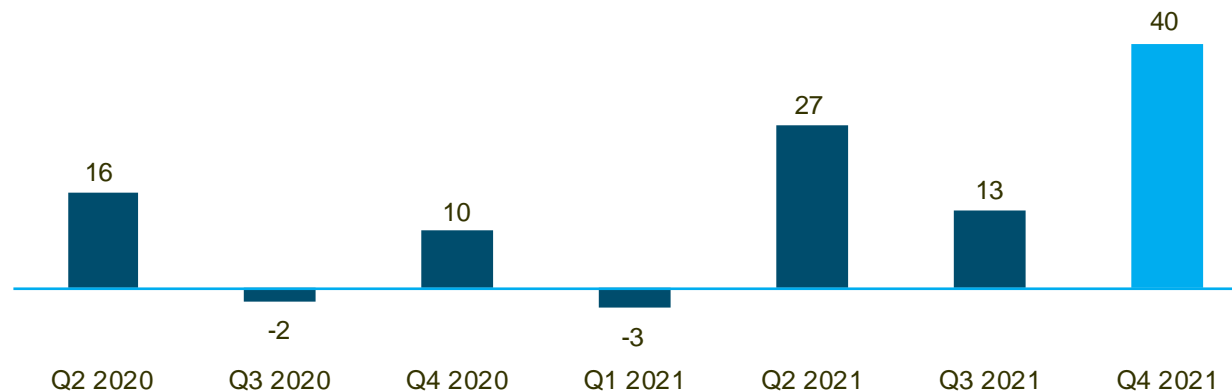
- Net impairment was a reversal of DKK 40m in Q4 2021
- Maintaining discretionary management estimate of DKK 52m recognised in 2020 due to COVID-19
- Strong LTV ratios for housing loans
- Gross lending by sector include remaining Danish corporate loans

LTV for housing loans¹



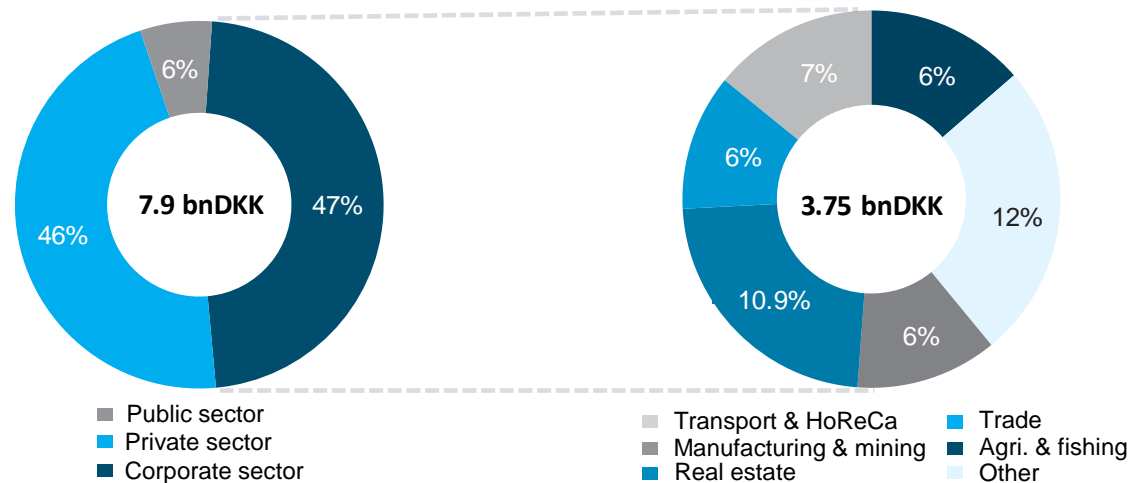
Net impairment charges

DKKm



Gross lending by sector

DKKm



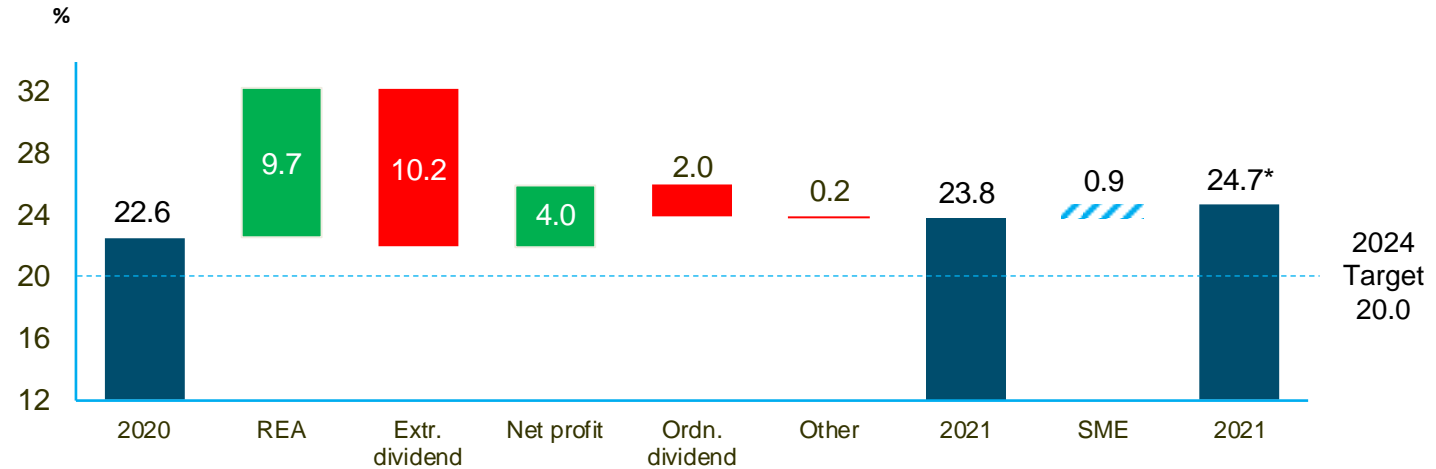
Capital position

- Strong capital ratios due to sale – also after dividend payouts

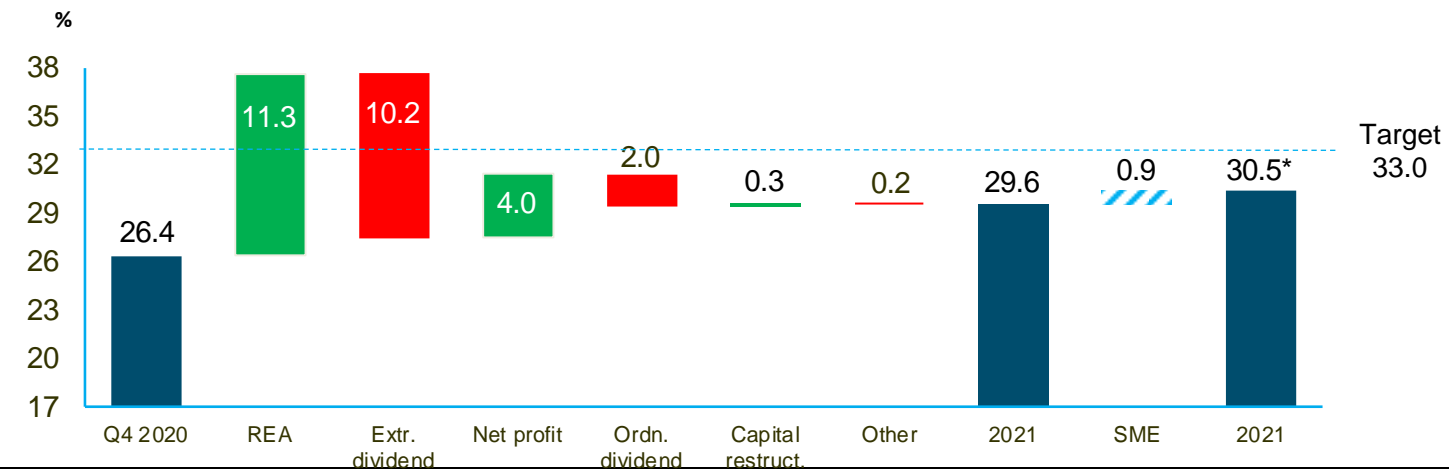
Comments

- CET1 up by 1.2 pp and MREL capital ratio up by 3.2 pp
- Capital ratios significantly increased after sale of the Danish loan portfolio (+7.7 pp) and other REA optimising measures (+2.0 pp)
- Sale of the Danish loan portfolio has led to dividend payouts of DKK 700m (-10.2 pp)
- Net profit for 2021 (+4.0 pp)
- Ordinary dividend of DKK 136m (50% of net profit for 2021) expected to be declared at AGM (-2.0 pp)
- Incoming legislation expected to reduce REA of SME exposures by DKK 250m (0.9 pp)

Changes in CET1 ratio



Changes in MREL Capital Ratio



Outlook 2022 - focus on Faroe Islands and Greenland

Growth in business volumes

- Using the Danish export-credit fund (EKF) to support corporate lending growth
- Robust growth in mortgage-broking volumes, bank lending to personal customers flat
- Increase in insurance income and assets under management
- Risk-weighted assets reduced to less than DKK 7bn

Robust growth in operating income

- Growth in lending volume offset by margin pressure
- Rising fee and commission income due to changes in prices in 2021 and growth in mortgage credit and assets under management
- Increased insurance premium income

Moderate growth in operating costs

- Investments in digitalisation and automation leading to higher IT costs
- Increased staff costs due to salary increases
- Savings on staff costs due to increased efficiency and process optimisation

Impairment charges to remain at a low level

Net profit expected at DKK 130-160m (2021: DKK 272m)

Economic outlook (GDP growth)

	2021E	2022F
Faroe Islands ¹	7.9%	3.3%
Greenland ²	1.8%	2.5%

Questions?

Árni Ellefsen, CEO



Appendices

- **Group**
- **Banking**
- **Personal Banking**
- **Corporate Banking**
- **Banking – Faroe Islands**
- **Banking – Greenland**
- **Banking – Denmark**
- **Insurance – Trygd**
- **Equity Story**
- **Development in business volumes**
- **Credit quality of loan portfolio**
- **Macro economic overview**

Group

- Reversals of impairment charges lead to increased profit and outweigh high insurance claims

DKKm	Q4 2021	Q3 2021	Index	Q2 2021	Q1 2021	Q4 2020	2021	2020	Index
Net interest income	66	65	102	66	63	65	260	258	101
Net fee and commission income	23	19	119	20	17	16	79	60	133
Net insurance income	6	7	86	14	7	12	34	45	75
Other operating income (less reclassification)	8	8	96	9	9	8	34	24	139
Operating income	103	99	104	109	97	101	407	387	105
Operating costs ¹	-57	-59	96	-61	-59	-62	-235	-238	99
Sector costs	0	0		0	0	0	-1	-1	158
Profit before impairment charges	46	40	116	48	38	38	171	149	115
Impairment charges, net	40	13	311	27	-3	10	77	5	
Operating profit	86	53	164	75	34	48	248	154	161
Non-recurring items ²	6	2	408	4	77	0	89	0	
Profit before investment portfolio earnings and tax	93	54	171	79	111	48	337	154	219
Investment portfolio earnings ³	2	-1	-178	-4	-3	1	-6	-2	
Profit before tax, continuing operations	95	53	179	75	108	49	330	152	217
Profit before tax, discontinued operations	0	0		0	9	1	9	54	17
Profit before tax, total	95	53	179	75	117	51	340	206	164
Tax	17	11	148	15	24	7	67	40	167
Net profit	78	41	188	59	93	43	272	166	164
Operating cost/income, %	55	59		56	60	62	58	61	
Number of FTE, end of period	195	199	98	195	218	228	195	228	86

1 Comprises staff costs, administrative expenses and amortisation, depreciation and impairment charges (less reclassification to non-recurring items).

2 Reclassified from Other operating income, Staff costs and administrative expenses and from Amortisation, depreciation and impairment charges.

3 Incl. net income from investments accounted for under the equity method (excl. sector shares).

Banking

- Operating income remains high

DKKm	Q4 2021	Q3 2021	Index	Q2 2021	Q1 2021	Q4 2020	2021	2020	Index
Net interest income	66	64	103	66	63	65	260	258	101
Net fee and commission income	26	22	118	24	20	19	92	71	128
Other operating income	7	7	95	7	7	7	28	20	138
Operating income	99	94	106	96	91	91	380	349	109
Operating cost	-51	-53	95	-56	-54	-58	-214	-218	98
Sector costs	0	0		0	0	0	-1	-1	158
Profit before impairment charges	48	40	122	40	37	33	165	130	126
Impairment charges, net	40	13	311	27	-3	10	77	5	
Operating profit	89	53	169	67	34	43	241	135	178
Non-recurring items	6	2	408	4	77	0	89	0	
Profit before investment portfolio earnings and tax	95	54	176	71	110	43	330	135	244
Investment portfolio earnings	2	-1	-216	-4	-2	2	-5	0	
Profit before tax, continuing operations	97	53	182	67	108	44	325	135	
Profit before tax, discontinued operations	0	0		0	9	1	9	54	17
Profit before tax, total	97	53	182	67	117	46	334	189	176
Loans and advances	7,624	7,594	100	7,586	7,450	7,608	7,624	7,608	100
Deposits and other debt	7,914	7,435	106	7,660	7,536	7,756	7,914	7,756	102
Mortgage credit	2,657	2,609	102	2,502	2,443	2,375	2,657	2,375	112
Operating cost/income, %	51	56		59	59	63	56	62	
Number of FTE, end of period	164	167	98	166	186	196	164	196	84

Personal Banking

- Stable development

DKKm	Q4 2021	Q3 2021	Index	Q2 2021	Q1 2021	Q4 2020	2021	2020	Index
Net interest income	34	33	103	33	32	32	131	127	103
Net fee and commission income	19	15	127	16	14	14	65	54	119
Other operating income	5	5	94	5	5	5	20	16	122
Operating income	58	54	109	53	51	51	216	198	109
Operating costs	-39	-44	89	-45	-43	-46	-172	-174	99
Sector costs	0	0		0	0	0	-1	0	
Profit before impairment charges	19	9	211	8	8	5	43	24	182
Impairment charges, net	5	3		0	14	5	22	-4	582
Operating profit	24	12	207	8	22	10	65	20	326
Non-recurring items	-4	2	-235	4	77	0	79	0	
Profit before investment portfolio earnings and tax	21	13	154	12	98	10	144	20	719
Investment portfolio earnings	2	-1	-305	-3	-2	1	-3	0	
Profit before tax, continuing operations	23	13	178	9	97	11	141	21	687
Profit before tax, discontinued operations	0	0		0	9	1	9	54	17
Profit before tax, total	23	13	178	9	106	12	150	75	200
Loans and advances	3,583	3,603	99	3,584	3,559	3,587	3,583	3,587	100
Deposits and other debt	5,105	5,125	100	5,269	5,205	5,140	5,105	5,140	99
Mortgage credit	2,292	2,252	102	2,205	2,152	2,074	2,292	2,074	110
Operating cost/income, %	68	82		85	85	90	80	88	
Number of FTE, end of period	71	73	97	72	77	80	71	80	88

Corporate Banking

- High customer activity and credit quality still improving

DKKm	Q4 2021	Q3 2021	Index	Q2 2021	Q1 2021	Q4 2020	2021	2020	Index
Net interest income	32	31	103	33	32	33	128	130	99
Net fee and commission income	7	7	97	8	6	5	27	17	158
Other operating income	2	2	116	2	2	2	9	4	210
Operating income	41	40	103	43	40	40	164	151	108
Operating costs	-11	-9	123	-11	-11	-12	-42	-44	94
Sector costs	0	0		0	0	0	0	0	
Profit before impairment charges	30	31	97	32	29	28	122	107	114
Impairment charges, net	35	10	343	27	-17	5	54	9	622
Operating profit	65	41	158	59	12	33	176	115	153
Non-recurring items	0	0		0	0	0	0	0	
Profit before investment portfolio earnings and tax	65	41	158	59	12	33	176	115	153
Investment portfolio earnings	1	0		-1	-1	0	-1	-1	
Profit before tax	66	41	162	58	11	33	175	115	153
Loans and advances	4,041	3,960	102	3,962	3,856	3,974	4,041	3,974	102
Deposits and other debt	2,808	2,300	122	2,384	2,323	2,607	2,808	2,607	108
Mortgage credit	365	357	102	297	291	301	365	301	121
Operating cost/income, %	28	23		26	27	30	25	29	
Number of FTE, end of period	13	14	93	14	15	16	13	16	81

Banking – Faroe Islands

- Steady improvment in operating profit

DKKm	Q4 2021	Q3 2021	Index	Q2 2021	Q1 2021	Q4 2020	2021	2020	Index
Net interest income	53	53	100	54	51	53	210	206	102
Net fee and commission income	21	18	118	18	16	16	72	59	123
Other operating income	6	6	92	6	6	6	24	17	143
Total Operating income	80	77	104	77	73	74	306	282	109
Operating cost	-47	-46	101	-49	-46	-50	-188	-190	99
Sector costs	0	0		0	0	0	-1	-1	162
Profit before impairment charges	33	30	109	28	27	23	118	91	129
Impairment charges, net	18	-2	-1025	17	-8	11	25	-2	
Operating profit	51	29	177	45	19	34	143	89	160
Non-recurring items	11	2		-18	-7	0	-13	0	
Profit before investment portfolio earnings and tax	61	30	203	26	12	34	130	89	146
Investment portfolio earnings	2	-1	-263	-3	-1	2	-4	0	
Profit before tax	63	30	212	23	11	36	126	89	142
Loans and advances	6,614	6,555	101	6,643	6,512	6,670	6,614	6,670	99
Deposits and other debt	6,812	6,900	99	7,010	6,833	7,037	6,812	7,037	97
Mortgage credit	1,673	1,631	103	1,554	1,513	1,481	1,673	1,481	113
Operating cost/income, %	59	59		64	63	68	61	67	
Number of FTE, end of period	147	149	98	146	166	174	147	174	84

Banking – Greenland

- Stable development

DKKm	Q4 2021	Q3 2021	Index	Q2 2021	Q1 2021	Q4 2020	2021	2020	Index
Net interest income	12	12	107	11	11	11	46	47	99
Net fee and commission income	5	4	118	4	3	3	16	11	137
Other operating income	1	1	104	1	1	1	4	3	126
Total Operating income	18	17	109	16	15	16	66	61	108
Operating cost	-6	-7	87	-5	-7	-7	-26	-28	92
Sector costs	0	0		0	0	0	0	0	
Profit before impairment charges	12	10	125	11	8	8	40	34	120
Impairment charges, net	-1	1		-2	2	-8	0	-20	
Operating profit	11	11	102	9	10	1	41	14	295
Non-recurring items	0	0		0	0	0	0	0	
Profit before investment portfolio earnings and tax	11	11	102	8	10	1	40	14	292
Investment portfolio earnings	0	0		-1	-1	0	-1	0	
Profit before tax	11	11	107	8	9	0	39	13	289
Loans and advances	1,010	1,038	97	938	909	908	1,010	908	111
Deposits and other debt	1,085	508	213	610	658	661	1,085	661	164
Mortgage credit	888	881	101	854	836	795	888	795	112
Operating cost/income, %	33	41		34	47	45	39	45	
Number of FTE, end of period	17	18	97	19	19	21	17	21	83

Banking – Denmark

- Reversal of impairments from remaining activities

DKKm	Q4 2021	Q3 2021	Index	Q2 2021	Q1 2021	Q4 2020	2021	2020	Index
Net interest income	1	0	1700	1	1	1	3	5	66
Net fee and commission income	0	0	91	2	1	0	4	1	312
Other operating income	0	0		0	0	0	0	0	108
Total Operating income	2	0	598	3	2	1	7	6	115
Operating cost	2	-1	-382	-2	0	0	-1	-1	62
Sector costs	0	0		0	0	0	0	0	
Profit before impairment charges	4	0	-1475	1	2	1	7	5	125
Impairment charges, net	23	13	183	13	3	6	52	27	191
Operating profit	27	12	216	14	5	8	58	32	180
Non-recurring items	-4	0		23	83	0	102	0	
Profit before investment portfolio earnings and tax	23	12	186	37	88	8	161	32	495
Investment portfolio earnings	0	0		0	0	0	-1	0	
Profit before tax, continuing operations	23	12	188	37	88	8	160	32	493
Profit before tax, discontinued operations	0	0		0	9	1	9	54	17
Profit before tax, total	23	12	188	37	97	9	169	87	195
Loans and advances	0	3	15	24	30	29	0	29	1
Deposits and other debt	17	27	63	41	45	58	17	58	30
Mortgage credit	95	97	98	94	93	100	95	100	96
Operating cost/income, %	-121	190		67	0	7	8	15	
Number of FTE, end of period	0	0		0	0	0	0	0	

Trygd

- Seasonality as always between quarters, high insurance claims in Q4

DKKm	Q4 2021	Q4 2020	Index	Q3 2021	Q2 2021	Q1 2021	2021	2020	Index
Premium income, net of reinsurance	32	30	105	32	31	30	125	121	104
Claims, net of reinsurance	-28	-23	122	-28	-19	-26	-101	-84	120
Net insurance income	4	7	53	4	12	4	24	37	65
Net income from investment activities	0	0	-64	0	0	-1	-1	-1	77
Operating income	4	7	58	3	12	4	23	35	65
Operating cost	-7	-5	130	-6	-6	-6	-25	-23	109
Profit before tax	-3	2		-3	6	-2	-2	12	-16
Combined ratio	109	93		65	81	106	101	89	
Claims ratio	88	76		46	62	85	81	70	
Number of FTE, end of period	22	25	87	25	22	24	22	25	87

Equity Story



Focus on improving the digital customer experience and on more efficient operations

- Banking operations firmly anchored in the Faroes – continued profitable growth in Greenland and in P&I business
- A significant player in two attractive markets within financing, insurance, investing and pensions
- Strategic focus:
 - deliver digital end-to-end customer experience with the customer in control and always able to request personalised advice
 - develop an efficient organisation through digitalisation and automation
- Low-risk loan portfolio with limited exposure to historically risky sectors
- Capital resources aligned with targets
- A competitive banking group contributing to sustainable societies

Targets

Customers

- Relational NPS > 40 at branches and in corporate departments
- Relational NPS > 15 in Customer Service and in Banking for young people
- Transactional NPS > 90

Employees

- Employee satisfaction score > 75
- Employee turnover < 7% p.a.
- Gender overrepresentation of not more than 60% among managers and in all departments

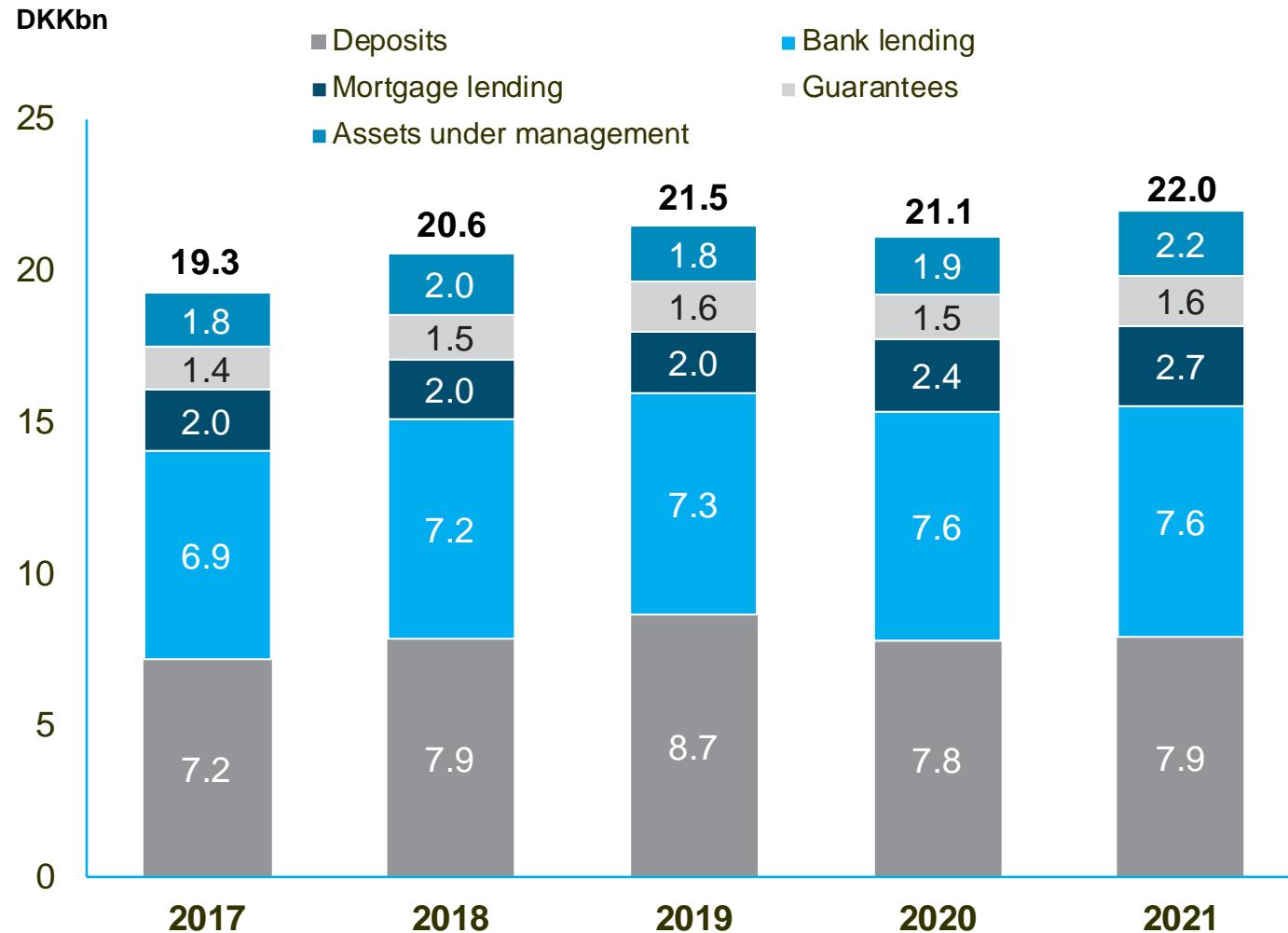
Shareholders

- ROE > 10% p.a.
- C/I < 55%
- Dividend payout ratio 50%
- Share buybacks
- CET 1 ratio 20.0%
- MREL capital: 2 pp above requirement
- Combined ratio 85%

Developments in business volumes

- Increased corporate activity drives up business volumes

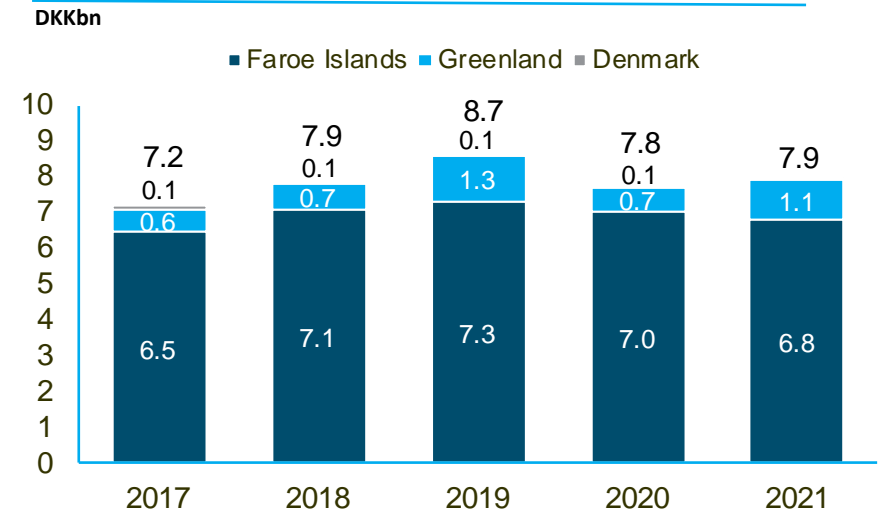
Business volumes (sum of deposits, lending, guarantees and AUM)



Comments

- New agreement with DLR has reduced guarantees with more than DKK 400m in 2020
- Significant increase in guarantees for corporate sector in 2020 and 2021

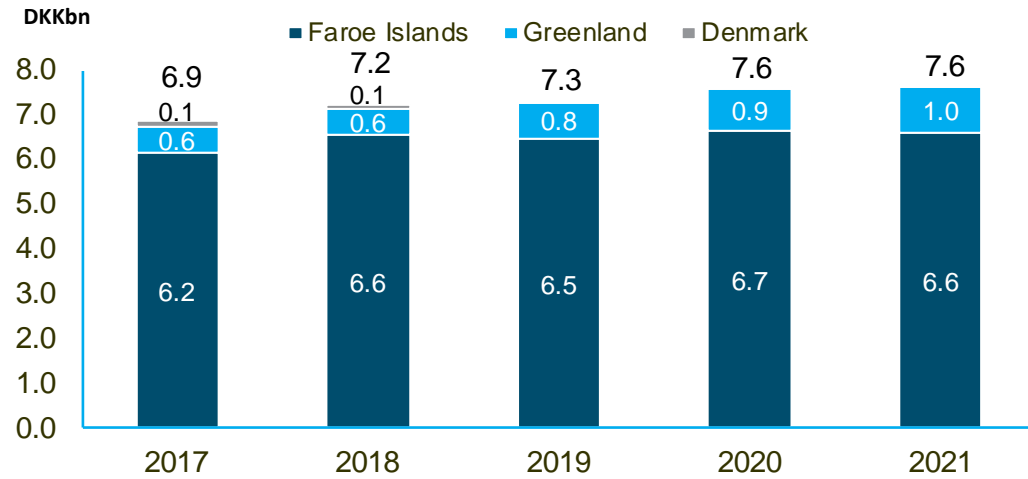
Deposits



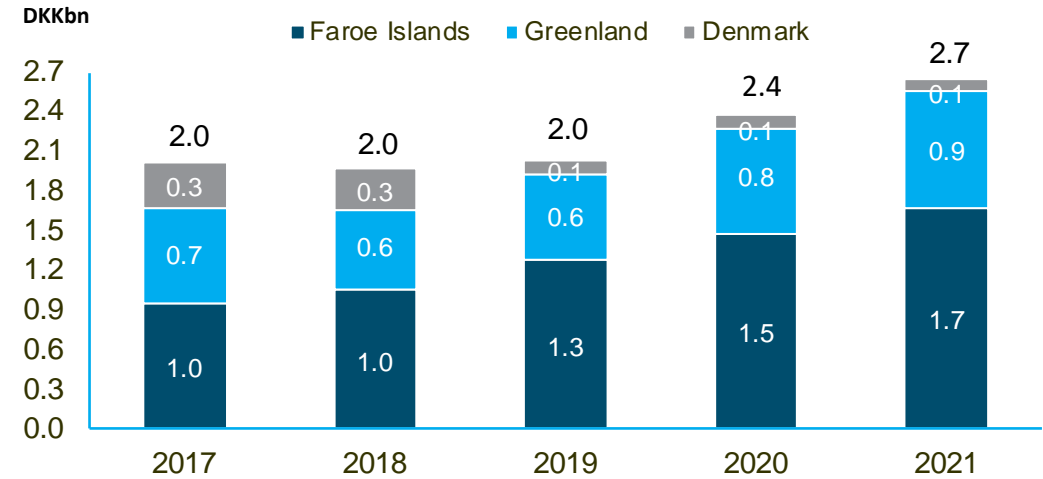
Development in business volumes

- Growth in line with markets

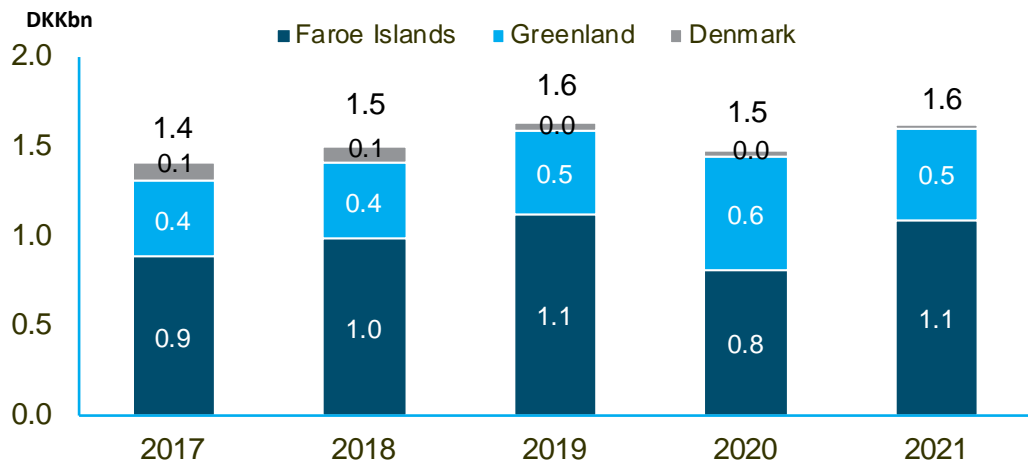
Bank lending



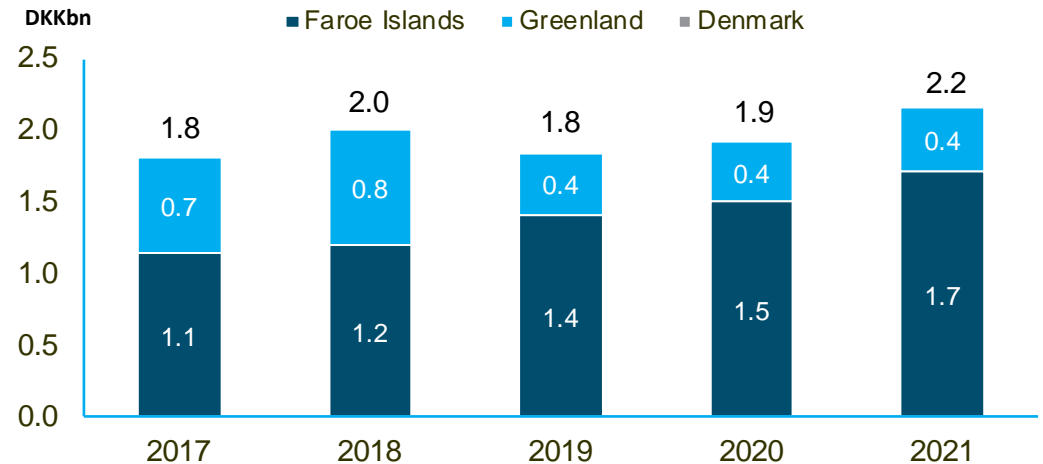
Mortgages



Guarantees



Assets under management



Credit quality of the loan portfolio

- Stronger exposures increases and weaker exposures decreases

Credit classification according to the Danish FSA's method

	Q3 2021			Q4 2021			Change
	<7.5 DKKm	>7.5 DKKm	Total	<7.5 DKKm	>7.5 DKKm	Total	
Portfolio without weakness	1,237	4,362	5,599	1,304	4,217	5,521	-78
Portfolio with some weakness	3,603	1,930	5,533	3,611	1,798	5,410	-124
Portfolio with weakness	95	241	336	84	161	245	-91
- here of unsecured	16	47	63	12	34	46	-17
- impairments	6	33	38	8	21	30	-9
Portfolio with OIE	222	277	499	196	248	443	-56
- here of unsecured	79	141	220	58	96	154	-66
- impairments	78	75	153	55	63	118	-35
Portfolio without individ. classification	52	14	66	43	40	83	18
Total	5,209	6,823	12,032	5,238	6,464	11,701	-331

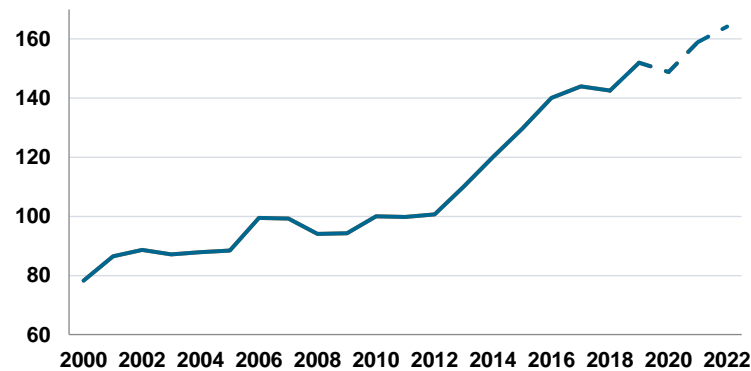
Total loan portfolio (Gross exposure) includes

- Loans and advances
- Credits
- Unused credits
- Guarantees

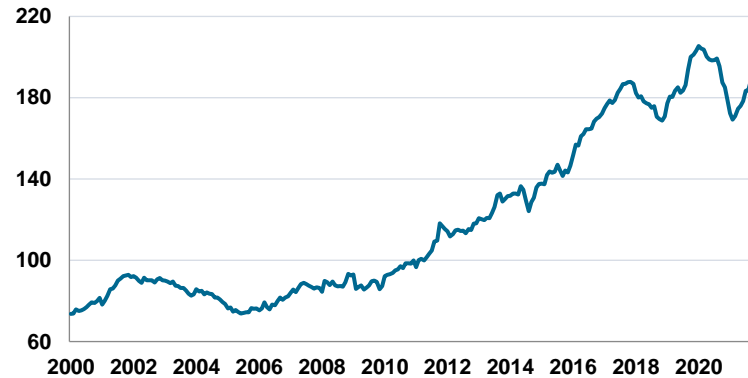
The Faroese economy

The Faroese economy has seen significant growth in the past decade to the point where GDP per capita in 2019 surpassed that of Denmark. The main drivers of growth have been pelagic fisheries and aquaculture. The economy has also seen significant growth in its tourism industry until the COVID-19 pandemic. The Faroese economy remained resilient throughout 2020 and has rebounded well in 2021.

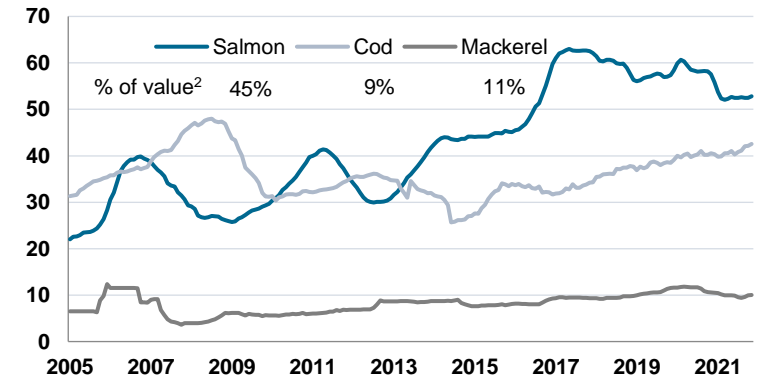
Real GDP¹ (2010 = 100)



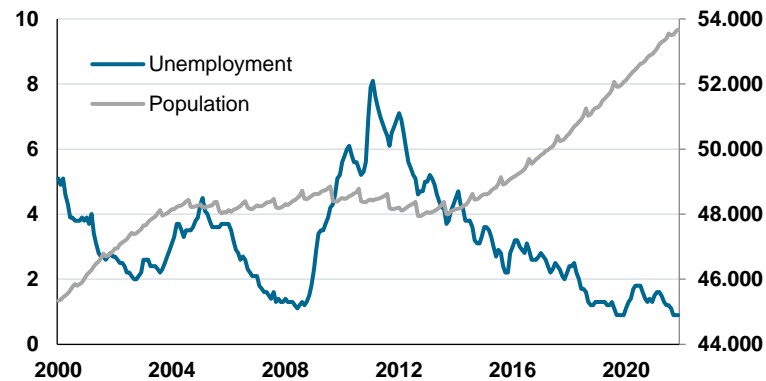
Exports, rolling 12m (Dec 2010 = 100)



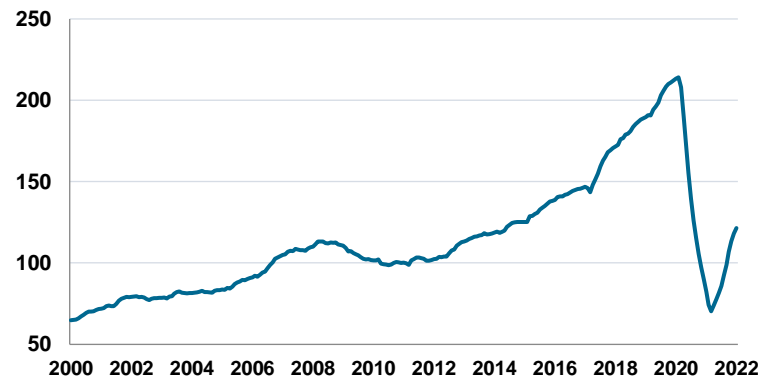
Export prices², rolling 12m avg, DKK/kg



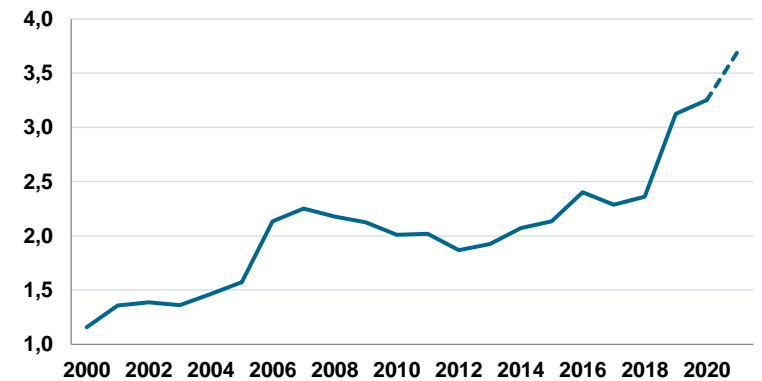
Unemployment, % (left); population, '000' (right)



Arrivals, air travel, rolling 12m, '000



House prices, Tórshavn, annual average, DKKm



¹ Nominal GDP deflated by annual rate of inflation.; 2020 estimated and 2021, 2022 forecast

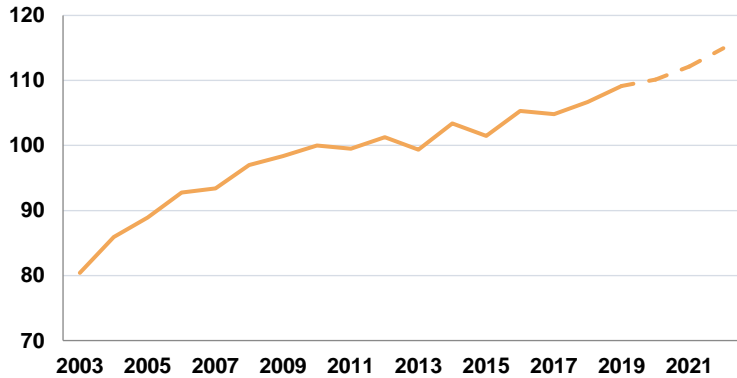
² Species' export value as percentage of total export value during last 12 months

Sources: Statistics Faroe Islands, the Faroese Economic Council, BankNordik

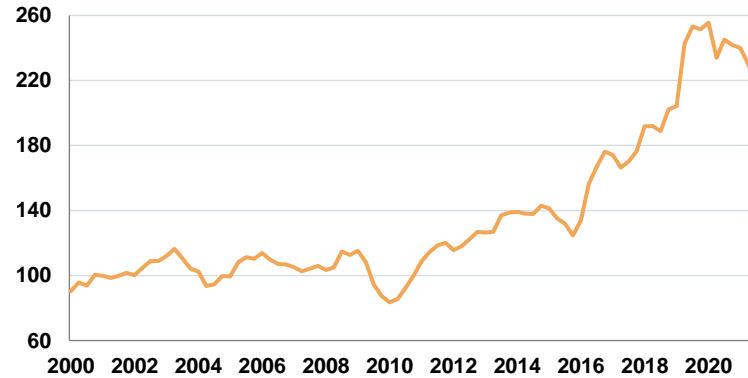
The Greenlandic economy

The Greenlandic economy has grown steadily over the last decade, mainly driven by an increase in export volumes and prices. Greenland's economic cycles are stabilised by the fact that the Danish block grant accounts for about a third of its public sector budget. The country has significant opportunities for future growth in its upcoming airport capacity expansion and the nascent mining industry. The main challenges to growth are structural unemployment as well as a shortage of skilled labour.

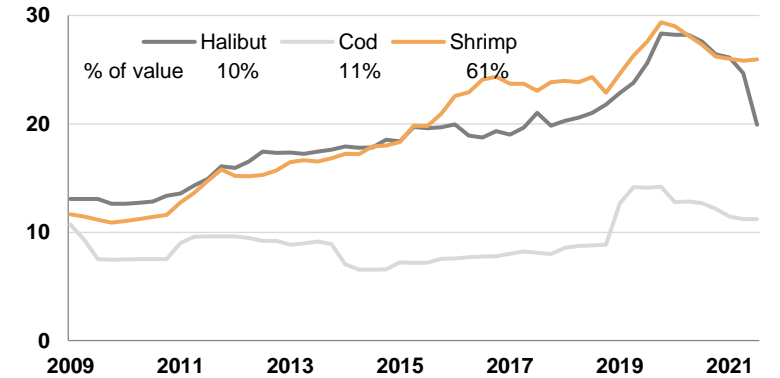
Real GDP (2010 = 100)



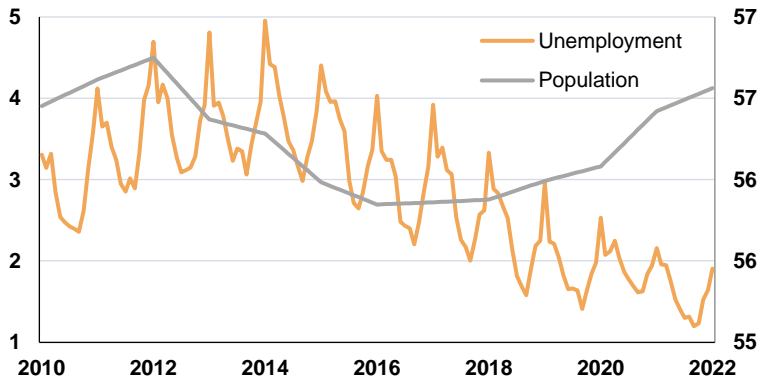
Exports, rolling 4Q (Q4 2010 = 100)



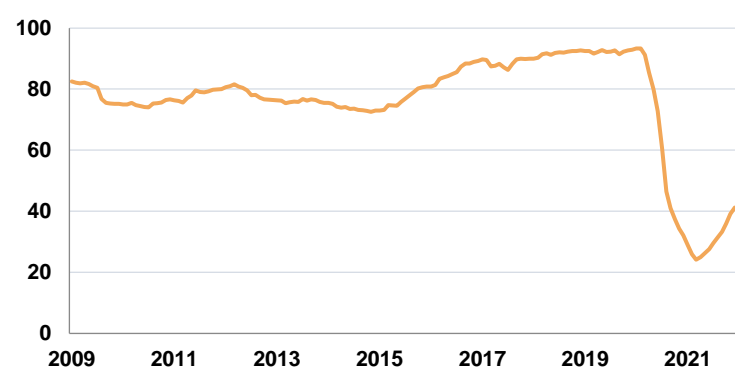
Export prices¹, rolling 4Q avg., DKK/kg



Unemployment (left), population (right), '000



Arrivals, air travel, rolling 12M, '000



Retail sales, seasonally adusted index (2010 = 100)

