

Quarterly Report

Q1 2024

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Management's Review

Report for Q1 in headlines

Good start to 2024

The BANK of Greenland's profit before tax amounts to DKK 61.8 million for Q1 2024, compared to DKK 49.4 million for Q1 2023. The profit before value adjustments and write-downs is satisfactory at DKK 61.7 million, compared to DKK 48.5 million for the previous year.

Lending has increased by DKK 79 million since the end of 2023, amounting to DKK 4,892 million at the end of Q1. It was expected that the continued favourable economic development in Greenland would result in positive, but more subdued growth in the Bank's lending in 2024. Guarantees increased by DKK 23 million from DKK 1,774 million at the end of 2023 to DKK 1,797 million at the end of Q1 2024.

Net interest and fee income increased by DKK 15.6 million to DKK 119.6 million in Q1 2024 compared to the same period in 2023. The increase is primarily due to the record-high lending volume and the development in the level of interest rates in 2023 and 2024. Compared to Q1 2023, total loans and guarantees increased by DKK 372 million up to the end of Q1 2024.







Total expenses including depreciation amounted to DKK 59.2 million at the end of Q1 2024, compared to DKK 56.9 million for the same period in 2023.

The increase concerns staff expenses as a consequence of collective agreement-based adjustments and an increase in the number of employees, as well as other administration expenses, where the increase can be attributed primarily to IT expenses.

At the end of Q1 2024, value adjustments show a capital gain of DKK 5.4 million, compared to a capital gain of DKK 7.9 million for the same period of 2023. The new interest rate trends resulted in negative development in the Bank's bond holdings, while the Bank's sector equities holdings and the currency area performed positively.

Impairments of loans and guarantees amounted to DKK 5.3 million in Q1 2024, compared to DKK 7.0 million in Q1 2023. The Bank sees continued satisfactory creditworthiness in the loan portfolio. In addition to the Bank's individual impairment models, a management supplement of DKK 46.8 million is allocated. In particular, the supplement covers the risks associated with increasing inflation and interest rates, and greater cyclical uncertainty.

In the stock exchange announcement of 14 December 2023, the forecast profit before tax for 2024 was stated as a range of DKK 180-230 million, which remains unchanged.

-  The profit before tax gives a return of 17.6 per cent p.a. on opening equity after disbursement of dividend.
-  An increase in loans and guarantees totalling DKK 102 million to DKK 6.688 billion.
-  Deposits increased to DKK 6.7 billion.
-  Core earnings per krone in costs of 1.96 in Q1 2024, compared to 1.77 in Q1 2023.
-  Write-downs and provisions of 0.1 per cent for the period.
-  Solvency ratio of 26.3 and a capital requirement of 11.1 per cent.



Financial Highlights for Q1 2024

	Q1 2024	Q1 2023	Full year 2023	Q1 2022	Q1 2021	Q1 2020
Net interest and fee income	119,629	104,056	435,012	85,747	86,095	82,880
Value adjustments	5,367	7,907	40,058	-10,667	3,127	-11,636
Other operating income	1,301	1,392	5,803	1,635	1,139	1,087
Staff and administration expenses	56,406	54,390	211,166	47,063	47,123	44,592
Depreciation and impairment of tangible assets	2,141	2,060	8,158	1,829	1,740	1,707
Other operating expenses	639	464	2,815	305	406	212
Write-downs on loans and receivables, etc.	5,326	6,992	14,160	718	922	9,190
Profit before tax	61,785	49,449	244,574	26,800	40,170	16,630
Tax	-9,304	3,362	52,179	-10,900	-1,281	4,404
Profit for the period	71,089	46,087	192,395	37,700	41,451	12,226
Selected balance sheet items:						
Lending	4,891,724	4,398,940	4,812,975	3,904,824	3,905,129	3,636,588
Deposits	6,681,539	6,012,091	6,413,469	5,542,272	5,571,272	5,742,351
Equity	1,452,334	1,329,742	1,479,123	1,236,483	1,174,147	1,090,630
Total assets	9,092,785	8,057,981	8,840,981	7,372,841	7,177,469	7,183,145
Contingent liabilities	1,796,756	1,917,778	1,774,426	1,786,028	1,804,673	1,514,627
Key figures:						
Capital ratio	26.3	23.0	26.0	24.4	22.3	24.6
Core capital ratio	25.1	22.6	24.9	24.4	22.3	24.6
Return on equity before tax for the period	4.2	3.7	17.5	2.1	3.4	1.5
Return on equity after tax for the period	4.9	3.5	13.8	3.0	3.5	1.1
Income per cost krone	2.0	1.8	2.0	1.5	1.8	1.3
Rate of return	0.8	0.6	2.2	0.5	0.6	0.2
Interest risk rate	0.7	1.3	0.7	1.2	1.6	1.0
Foreign exchange position	0.3	0.5	0.4	0.8	0.7	0.7
Liquidity coverage ratio	249.6	230.9	259.0	236.7	290.9	284.8
Net stable funding ratio	133.7	-	134.0	-	-	-
Lending plus write-downs as a ratio of deposits	70.6	71.4	72.3	68.8	70.1	64.3
Lending as a ratio of equity	3.4	3.3	3.3	3.2	3.3	3.3
Growth in lending for the period	1.6	1.0	10.6	3.2	-2.5	-3.2
Sum of large exposures	147.9	165.5	150.0	164.0	163.6	159.8
Write-down ratio for the period	0.1	0.1	0.2	0.0	0.0	0.2
Accumulated write-down ratio	3.1	3.1	3.1	3.2	3.2	3.5
Profit per share after tax for the period	34.3	25.6	106.9	20.9	23.0	6.8
Net book value per share	806.9	738.7	821.7	686.0	652.0	606.0
Stock exchange quotation/net book value per share	0.8	0.8	0.8	0.9	1.0	0.8

Management's Review, Q1 2024

Statement of income

At TDKK 93,199, compared to TDKK 73,969 in Q1 2023, net interest income increased by more than 25%. The rising level of interest rates during 2023, and the high level of lending, are driving the growth.

The rising level of interest rates in 2023 reached its current level in Q3 2023, so that the level of interest rates in Q1 2024 was higher than in Q1 2023. Lending increased by TDKK 492,784 or 11.2% in the period from Q1 2023 until the end of Q1 2024.

As expected, the Bank also saw shifts in deposits in favour of savings and high-interest accounts, thereby reducing the deposit margin.

Fee and commission income decreased by TDKK 2,256 compared to the same period of 2023. Lower investment activity and insurance brokerage commission have a negative impact on the item.

Net interest and fee income increased overall by TDKK 15,573 to TDKK 119,629 for Q1 2024.

Other operating income amounted to TDKK 1,301, which is a decrease of TDKK 91 from Q1 2023.

Staff and administration expenses amounted to TDKK 56,406, which is an increase of TDKK 2,016 compared to Q1 2023. Staff expenses increased by TDKK 3,086 as a result of individual staff increases and salary increases under collective agreements. Administration expenses decreased by TDKK 1,070. However, this reflects an increase in IT expenses, and a decrease due to one-off costs defrayed in Q1 2023.

Other operating expenses, which concern operation and maintenance of the Bank's office buildings, increased by TDKK 175 to TDKK 639 in Q1 2024, compared to the same period of 2023. The increase is due to timing differences in the payment of costs.

Depreciation of properties and fixtures and fittings amounts to TDKK 2,141, compared to TDKK 2,060 for the same period in 2023.

The profit before value adjustments and write-downs is a satisfactory TDKK 61,744, compared to TDKK 48,534 in Q1 2023.

Value adjustments present a total capital gain of TDKK 5,367, compared to a capital gain of TDKK 7,907 for the same period in 2023. The Bank's holdings of sector equities and the currency area performed favourably in Q1. At the same time, based on the level of interest rates, the Bank's bond holdings gave a capital loss in Q1 2024, in contrast to the significant capital gain in Q1 2023.

Selected Highlights and Key Figures (not audited)

DKK 1,000

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Net interest and fee income	119,629	119,981	111,043	99,933	104,056	96,307	87,370	82,061
Costs, depreciation and amortisation	59,186	61,918	51,492	51,814	56,914	59,254	48,059	48,572
Other operating income	1,301	1,346	1,451	1,613	1,392	2,025	1,514	1,414
Profit before value adjustments and write-downs	61,744	59,409	61,002	49,732	48,534	39,078	40,825	34,903
Value adjustments	5,367	20,248	8,817	3,085	7,907	6,316	-20,477	-14,528
Write-downs on loans, etc.	5,326	5,907	1,974	-713	6,992	1,483	928	1,394
Profit before tax	61,785	73,750	67,845	53,530	49,449	43,911	19,420	18,981

Impairment of loans, etc. amounts to TDKK 5,326, compared to TDKK 6,992 for the same period in 2023. The Bank sees continued satisfactory creditworthiness in the loan portfolio. The impairment level is still modest and the impairment ratio for the period is 0.1%.

Despite uncertain macroeconomic prospects as a consequence of rising inflation, a higher interest rate level and geopolitical instability, Greenland and the BANK of Greenland's customers are not significantly challenged so far. However, the future economic development is subject to uncertainty.

In addition to the individual write-downs, on this basis the Bank has maintained a significant management reserve of DKK 46.8 million to counter risks.

The profit before tax is TDKK 61,785, having increased by TDKK 12,336 from the same period of 2023.

Balance sheet and equity

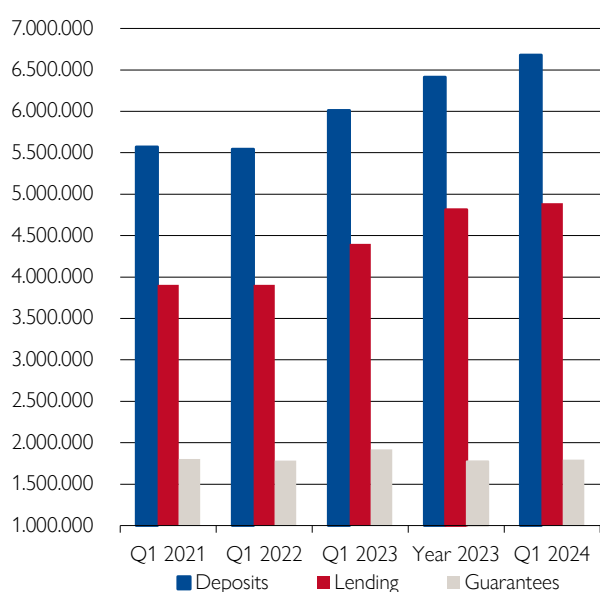
During Q1, the Bank's lending saw a satisfactory increase of TDKK 78,749 to TDKK 4,891,724, while the Bank's guarantees to customers increased by TDKK 22,330 from the end of 2023 and amounted to TDKK 1,796,756 at the end of March 2024.

In Q1 2024, the Bank acquired five new staff homes, increasing the value of domicile properties to TDKK 310,900.

At the end of March 2024, the Bank's deposits, which predominantly comprise on-demand deposits, amounted to TDKK 6,681,539, which is an increase of TDKK 268,070 from the end of 2023. The Bank continues to have a stable deposit/lending ratio of approximately 137%.

After payment of the dividend of TDKK 99,000 for 2023 adopted by the Annual General Meeting, the Bank's equity decreased from TDKK 1,479,123 to TDKK 1,452,334.

Total assets thereby increased by TDKK 108,415 to TDKK 9,092,785.



Uncertainty of recognition and measurement

The principal uncertainties concerning recognition and measurement are related to write-downs on lending, provisions

on guarantees and non-utilised credit facilities, together with the valuation of properties, unlisted securities and financial instruments. The management assesses that the presentation of the accounts is subject to an appropriate level of uncertainty.

On 29 November 2023, the Danish Financial Supervisory Authority published the memorandum "Loss levels on exposures secured by mortgages in real estate", in which the Authority assesses whether there is a well-developed and well-established real estate market in Denmark, the Faroe Islands and Greenland.

Particularly with regard to the Faroe Islands and Greenland, according to the memorandum it was not possible for the Danish FSA, on the basis of the established criteria, to assess whether there is a well-developed and well-established market for residential and commercial properties on the Faroe Islands and in Greenland. The assessment has an impact on the capital burden of exposures secured by mortgages on real estate.

The Danish FSA therefore subsequently sent the memorandum for consultation and contacted the North Atlantic banks, including the BANK of Greenland, as well as mortgage credit institutes with North Atlantic property exposures, for further investigation of the real estate market in Greenland.

On this basis, the BANK of Greenland provided the Danish FSA with a supplementary basis of experience based on local knowledge of Greenland's real estate market, in order to support an assessment of whether a well-developed and well-established real estate market exists in Greenland.

The status of the real estate market in Greenland is not expected to be clarified until during 2024.

Financial risks

The BANK of Greenland is exposed to various financial risks, which are managed at different levels of the organisation. The Bank's financial risks consist of:

Credit risk: Risk of loss as a consequence of debtors' or counterparties' default on actual payment obligations.

Market risk: Risk of loss as a consequence of fluctuation in the fair value of financial instruments and derivative financial instruments due to changes in market prices. The BANK of Greenland classifies three types of risk within the market risk area: interest rate risk, foreign exchange risk and share risk.

Liquidity risk: Risk of loss as a consequence of the financing costs increasing disproportionately, the risk that the Bank is prevented from maintaining the adopted business model due to a lack of financing/funding, or ultimately, the risk that the Bank

cannot fulfil agreed payment commitments when they fall due, as a consequence of the lack of financing/funding.

Operational risk: The risk that the Bank in full or in part incurs financial losses as a consequence of inadequate or inappropriate internal procedures, human errors, IT systems, etc.

Capital requirement

The BANK of Greenland must by law have a capital base that supports the risk profile. The BANK of Greenland compiles the credit and market risk according to the standard method and the operational risk according to the basic indicator method.

MREL requirement

The requirement concerning own funds and eligible liabilities must be viewed as an element of the recovery and resolution of banks. This entails that banks which are subject to this requirement must maintain a ratio of capital instruments and debt obligations that, in a resolution situation, can be written down or converted before simple claims.

On 30 November 2023, a revised MREL requirement was determined for the BANK of Greenland, at 30.2% of the Bank's risk-weighted assets at the end of 2022. The MREL requirement is being phased in during the period from 2022 to 2027. The linear phasing-in means that by 2024, the Bank must fulfil an MREL requirement of 7.55%. This means that in the course of the coming years, the Bank must fulfil the phased-in requirement by issuing capital instruments and consolidation of equity capital.

In continuation of the established MREL requirement, the Bank made issues in 2021, 2022 and 2023. A total of DKK 175 million was issued in Senior Non-Preferred and DKK 65 million in subordinated debt.

In 2024, the Bank also expects to issue securities.

Capital requirement	Q1 2024	Year 2023
Pillar I	8.00%	8.00%
Pillar II	3.14%	3.06%
Solvency requirement	11.14%	11.06%
SIFI buffer requirement	1.50%	1.50%
Capital reserve buffer requirement	2.50%	2.50%
Capital requirement	15.14%	15.06%
MREL requirement (phased in linearly as from 1 January 2022)	7.55%	4.90%
Total capital requirement	22.69%	19.96%
Capital base, cf. Note 18	1,445,018	1,450,158
SNP issue	174,051	173,969
MREL capital base	1,619,069	1,624,127
MREL capital ratio	29.50%	29.10%
Surplus capital cover	6.81%	9.14%

Solid capital base

In accordance with the Danish Financial Business Act, the Board of Directors and the Executive Management must ensure that the BANK of Greenland has an adequate capital base. The capital requirement is the capital which, according to the management's assessment, as a minimum is needed to cover all risks.

The BANK of Greenland was designated as an SIFI institution in April 2017.

Based on the requirements concerning own funds and eligible liabilities, the Board of Directors expects that the total capital reserves must be increased during the coming years. The aim of the Board of Directors is that there must be sufficient capital for growth in the Bank's business activities, just as there must be sufficient capital to cover ongoing fluctuations in the risks assumed by the Bank.

In 2021, the Bank's Board of Directors therefore adopted a capital objective with a set target for CET1 of 24%. The BANK of Greenland's core capital ratio was 25.1 at the end of Q1 2024, and the capital ratio was 26.3. Taking into account the uncertainties described above concerning exposures secured by mortgages on real estate, the Bank considers it essential that the core capital ratio is at a higher level than the target set.

The result for Q1 2024 has not been verified by the Bank's auditor and is therefore not included in the capital ratio. Including the result for Q1 2024, the core capital ratio is calculated at 26.1% and the capital ratio at 27.2%.

As at the end of March 2024, the Bank's individual solvency requirement was compiled at an unchanged 11.1%. The BANK of Greenland thereby has surplus capital cover before the buffer requirements of 15.2%, or TDKK 832,773. After deductions for the capital reserve buffer requirement of 2.5% and the SIFI buffer requirement of 1.5%, the surplus cover is 11.2%.

The BANK of Greenland has published further details of the calculated solvency requirement in a report on its website <http://www.banken.gl/report/>

The BANK of Greenland's reported individual solvency requirement according to the 8+ model

	Q1 2024		Year 2023	
	Capital requirement	Solvency requirement	Capital requirement	Solvency requirement
Pillar I requirement	439,691	8.0	445,843	8.0
Credit risk	123,998	2.2	120,061	2.2
Market risk	21,585	0.4	22,404	0.4
Operational risk	15,592	0.3	15,646	0.3
Other risk	11,379	0.2	12,256	0.2
Capital and solvency requirement	612,245	11.1	616,210	11.1

Liquidity

The liquidity coverage ratio (LCR) is a minimum requirement of the ratio between current assets and liabilities, to ensure a satisfactory liquidity ratio.

At the end of Q1, the Bank had an LCR of 249.6 per cent and thereby fulfils the LCR requirement of at least 100 per cent.

The Bank's funding is based solely on deposits.

The Supervisory Diamond for banks

The BANK of Greenland has considered the benchmarks set out in the Danish FSA's Supervisory Diamond for banks. The Supervisory Diamond states five benchmarks for banking activities which the Bank aims to fulfil. It must be noted that publicly-owned enterprises account for 38% points of the sum of large exposures.

The exposure to property amounts to 21.3 per cent. This exposure is subject to considerable subordinate public financing. In addition, some of the exposure is based on lease contracts with the state, the Government of Greenland or municipalities. The Bank assesses that both of these factors contribute to stabilizing the overall sector exposure.

Investor relations

The BANK of Greenland's overall financial objective is to achieve a competitive return for the shareholders. At a price of 650 at the end of Q1 2024, the price of the BANK of Greenland's shares has increased from the end of 2023, when the price was 625.

At the Bank's Annual General Meeting on 20 March 2024, a dividend payment of DKK 55 per share, or a total of DKK 99 million, to the Bank's shareholders was adopted, and this was paid out on 25 March 2024.

In accordance with Section 28a of the Danish Companies Act, six shareholders have notified shareholdings in excess of 5%. The Bank has no holdings of own shares.

The BANK of Greenland's mission, values and corporate governance

The BANK of Greenland conducts banking activities in Greenland in open competition with domestic and foreign banks and provides advice and services in the financial area to all citizens and businesses in Greenland.

The Supervisory Diamond

	1Q 2024	Limit
Sum of large exposures	147,90%	< 175%
Property exposure	21,30%	< 25%
Growth in lending	11,20%	< 20%
Liquidity-benchmark	232,30%	> 100%

The Bank's mission should be viewed in a broader perspective whereby the BANK of Greenland can be seen as the BANK for all of Greenland. This entails an enhanced responsibility to participate positively and actively in society's development and to help to create opportunities for the benefit of Greenland, while also ensuring sound financial activities. The BANK of Greenland is highly aware of this vital role.

The BANK of Greenland's values are firmly anchored in the Bank and its employees. The values are Commitment, Decency, Customer-oriented and Development-oriented. These values serve as a guide for how we act and wish to be seen within and outside the Bank.

The BANK of Greenland considers all of the Corporate Governance recommendations and the Danish Executive Order on Management and Control of Banks, etc. and it is the Bank's objective to observe these recommendations at all times and to the greatest possible extent. The Bank's Corporate Governance Statement can be found on the Bank's website www.banken.gl.

Outlook for the remainder of 2024

Despite inflation and interest rate increases, the BANK of Greenland expects moderate economic growth in Greenland in 2024, as described in the 2023 Annual Report.

On this basis, lending is expected to develop positively towards the end of the year, but with significantly lower growth than in the preceding two years. Deposits are expected to be at the level of the end of 2023.

The Bank will be affected negatively if inflation and cyclical trends are exacerbated to any significant degree.

Total core income is expected to increase in 2024, for which the primary reasons are the increased lending volume and the development in interest rates.

Total expenses including depreciation and amortisation are expected to be higher than in 2023. A few staff increases and the full effect of staff increases are expected in 2023.

Administration expenses are also expected to increase, primarily in the IT area and for supplementary staff training.

The Bank assesses that the quality of the loan portfolio is satisfactory. Write-downs on loans are therefore still expected to be at a low, but normalised, level.

On the basis of the level of interest rates, gains must be expected on the Bank's listed securities. Capital gains are expected from the currency area and sector equities.

On this basis, the expectation of an unchanged profit before tax at the level of DKK 180-230 million in 2024 is maintained.

Management Statement

The Board of Directors and Executive Management have today considered and approved the quarterly report for the period 1 January – 31 March 2024, for the public limited liability company, GrønlandsBANKEN A/S.

The quarterly report is presented in accordance with the Danish Financial Business Act, and the Management's Review is prepared in accordance with the Danish Financial Business Act. The quarterly report is furthermore prepared in accordance with additional Danish disclosure requirements for listed financial companies.

It is our opinion that the quarterly report gives a true and fair view of the Bank's assets, liabilities and financial position at 31 March 2024, and of the results of the Bank's operations for Q1 2024.

It is our opinion that the Management's Review gives a true and fair review of the development in the Bank's activities and financial affairs, as well as a description of the significant risks and uncertainties to which the BANK of Greenland is subject.

Nuuk, 13 May 2024

Executive Management

Martin Birkmose Kviesgaard

Board of Directors

Gunnar í Liða

Chair

Kristian Frederik Lennert

Vice Chair

Maliina Bitsch Abelsen

Lars Holst

Pilunnguaq Frederikke Johansen Kristiansen

Tulliaq Angutimmarik Olsen

Niels Peter Fleischer Rex

Peter Angutinguaq Wistoft

Ellen Dalsgaard Zdravkovic



Income Statement and Statement of Comprehensive Income

DKK 1,000

Notes		1. kvartal 2024	hele året 2023	1. kvartal 2023
3	Interest income	123,892	417,162	86,831
4	Interest expenses	30,693	87,468	12,862
	Net interest income	93,199	329,694	73,969
	Share dividend, etc.	0	2,155	1,460
5	Fees and commission income	26,496	103,932	28,752
	Fees paid and commission expenses	66	769	125
	Net interest and fee income	119,629	435,012	104,056
6	Value adjustments	5,367	40,058	7,907
	Other operating income	1,301	5,803	1,392
7	Staff and administration expenses	56,406	211,166	54,390
	Depreciation and impairment of tangible assets	2,141	8,158	2,060
	Other operating expenses	639	2,815	464
16	Write-downs on loans and receivables, etc.	5,326	14,160	6,992
	Profit before tax	61,785	244,574	49,449
8	Tax	-9,304	52,179	3,362
	Profit for the period	71,089	192,395	46,087
	COMPREHENSIVE INCOME			
	Profit for the period	71,089	192,395	46,087
	Other comprehensive income:			
	Value adjustment of properties	1,497	5,643	1,417
	Value adjustment of defined-benefit severance/pension scheme	0	-96	0
	Tax on value adjustment of properties	-374	-1,411	-354
	Other comprehensive income	1,123	4,136	1,063
	Comprehensive income for the period	72,212	196,531	47,150

Balance Sheet

DKK 1,000

Notes	Assets	31 March 2024	31 December 2023	31 March 2023
	Cash balance and demand deposits with central banks	1,704,750	1,552,747	1,322,534
9	Receivables from credit institutions and central banks	112,646	120,150	129,642
16	Loans and other receivables at amortised cost	4,891,724	4,812,975	4,398,940
10	Bonds at fair value	1,282,595	1,303,120	1,264,553
	Shares, etc.	149,261	135,614	127,396
11	Assets connected to pool schemes	538,247	513,822	406,401
	Land and buildings in total, domicile properties	310,900	298,142	284,038
	- Domicile properties	310,900	298,142	284,038
	Other tangible assets	6,665	6,781	6,202
	Other assets	90,547	93,202	113,622
	Accruals and deferred income	5,450	4,428	4,653
	Total assets	9,092,785	8,840,981	8,057,981
	Liabilities			
	Liabilities to credit institutions and central banks	13,077	22,105	21,678
12	Deposits and other liabilities	6,681,539	6,413,469	6,012,091
	Deposits in pool schemes	538,247	513,822	406,401
13	Issued bonds at amortised cost	174,051	173,969	74,598
	Current tax liabilities	15,665	11	30,829
	Other liabilities	73,971	63,274	72,183
	Prepayments and deferred expenses	2,558	5,451	3,411
	Total debt	7,499,108	7,192,101	6,621,191
	Provisions for pensions and similar obligations	2,584	2,506	2,172
	Provisions for deferred tax	60,386	84,762	58,480
	Provisions for losses on guarantees	6,674	9,733	12,041
	Other provisions	7,330	8,427	4,841
	Provisions for losses on non-utilised credit facilities	0	0	4,791
	Total provisions	76,974	105,428	82,325
14	Subordinated debt	64,369	64,329	24,723
	Total subordinated debt	64,369	64,329	24,723
	Equity			
15	Share capital	180,000	180,000	180,000
	Revaluation reserves	67,006	65,883	62,714
	Retained earnings	1,205,328	1,134,240	1,087,028
	Proposed dividend	0	99,000	0
	Total equity	1,452,334	1,479,123	1,329,742
	Total liabilities	9,092,785	8,840,981	8,057,981

1 Accounting policies applied

2 Accounting estimates

17 Contingent liabilities

18 Capital conditions and solvency

Statement of Changes in Equity

DKK 1,000

	Share capital	Revaluation reserves	Retained earnings	Proposed dividend	Total equity capital
Equity, 01 January 2023	180,000	61,651	1,040,941	36,000	1,318,592
Dividend paid	0	0	0	-36,000	-36,000
Other comprehensive income	0	1,063	0	0	1,063
Profit for the period	0	0	46,087	0	46,087
Equity, 31 March 2023	180,000	62,714	1,087,028	0	1,329,742
Other comprehensive income	0	3,169	-96	0	3,073
Profit for the period	0	0	47,308	99,000	146,308
Equity, 31 December 2023	180,000	65,883	1,134,240	99,000	1,479,123
Equity, 01 January 2024	180,000	65,883	1,134,240	99,000	1,479,123
Dividend paid	0	0	0	-99,000	-99,000
Other comprehensive income	0	1,123	0	0	1,123
Profit for the period	0	0	71,088	0	71,088
Equity, 31 March 2024	180,000	67,006	1,205,328	0	1,452,334



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Notes to the Quarterly Report

1. Accounting policies applied etc.

The Interim Report has been prepared in accordance with the Danish Financial Business Act, the statutory order on financial reports for credit institutions and investment service companies, etc. and the Danish disclosure requirements for the interim reports of listed financial companies.

The accounting policies applied are unchanged from the Annual Report for 2023.

Tax, which consists of current tax and changes in deferred tax, is recognised in the income statement when it relates to the

profit for the period, and directly in equity when it can be attributed to items carried directly to equity.

On calculating the taxable income, Greenland allows tax deduction of dividends for the dividend-paying company. The taxation value of this is therefore added to equity at the time of the Annual General Meeting's approval of the dividend.

Deferred tax assets are recognised in the balance sheet at the value at which the asset is expected to be realised. The interim report has not been audited or reviewed.

2. Significant accounting estimates

The calculation of the accounting value of certain assets and liabilities is subject to a degree of uncertainty and an estimate of how future events will affect the value of these assets and liabilities. The most significant estimates relate to:

- measurement of loans, guarantees and non-utilised credit facilities;
- financial instruments;
- fair value of domicile properties; and
- provisions.

Non-listed financial instruments that primarily concern sector equities and that are measured at estimated fair values.

The measurement of the fair value of the Bank's head office properties is subject to significant accounting estimates and assessments, including expectations of the properties' future returns and the fixed yield ratios.

For provisions, there are significant estimates related to the determination of the future employee turnover rate, as well as determining the interest obligation for tax-free savings accounts.

DKK 1,000	Q1 2024	Full year 2023	Q1 2023
3. Interest income			
Lending and other receivables	97,993	336,767	71,724
Bonds	9,082	29,770	6,474
Foreign exchange, interest rate, equity, commodity and other contracts, as well as derivative financial instruments	294	1,177	246
Total interest income	123,892	417,162	86,831
4. Interest expenses			
Credit institutions and central banks	37	151	47
Deposits and other liabilities	30,656	87,256	12,815
Issued Bonds	0	61	0
Total interest expenses	30,693	87,468	12,862
5. Fee and commission income			
Securities and securities accounts	641	7,780	680
Payment settlement	8,861	37,456	8,961
Loan transaction fees	966	4,968	1,311
Guarantee commission	7,863	31,134	8,181
Other fees and commission	8,165	22,594	9,619
Total fee and commission income	26,496	103,932	28,752
6. Value adjustments			
Lending at fair value	32	1,983	414
Bonds	-643	23,654	4,949
Shares	4,498	10,178	1,603
Currency	1,510	6,253	1,365
Foreign exchange, interest rate, equity, commodities and other contracts, as well as derivative financial instruments	-30	-2,010	-424
Assets connected to pool schemes	30,601	42,371	12,745
Deposits in pool schemes	-30,601	-42,371	-12,745
Total value adjustments	5,367	40,058	7,907

DKK 1,000	Q1 2024	Full year 2023	Q1 2023
7. Staff and administration expenses			
Staff expenses			
Salaries	25,722	93,862	23,016
Other staff expenses	1,227	3,068	1,069
Pensions	3,036	11,613	2,802
Social security expenses	121	569	133
In total	30,106	109,112	27,020
Other administration expenses	26,300	102,054	27,370
Average number of FTEs	153.3	143.5	139.3
Of which salaries and remuneration to the Board of Directors and the Executive Management	1,762	6,345	1,711
Six other employees (Q1 2023: 5 employees) whose activities have a significant influence on the Bank's risk profile:			
Salaries including free car and other benefits	2,179	7,373	1,753
8. Tax			
25-% of the profit before tax	15,446	61,144	12,362
Discount for dividend tax paid	0	-498	-394
6-%-supplement	0	0	0
Total tax on ordinary profit	15,446	60,646	11,968
Paid dividend tax	0	498	394
Other changes	0	35	0
Taxation value of dividend paid	-24,750	-9,000	-9,000
Tax in total	-9,304	52,179	3,362
Deferred tax	374	16,225	354
Taxation value of dividend paid	-24,750	0	-9,000
Tax to be paid	15,072	35,954	12,008
No company tax was paid in the period.			
9. Amounts receivable from credit institutions and central banks			
Receivables from credit institutions	129,642	118,619	122,300
Total amounts receivable	129,642	118,619	122,300
10. Bonds			
Of the bond portfolio, a nominal amount of TDKK 50,000 is pledged as collateral for accounts with Danmarks Nationalbank.			

DKK 1,000	Q1 2024	Full year 2023	Q1 2023
11. Assets connected to pool schemes			
Investment associations	538,135	513,734	406,100
Non-invested funds	112	88	301
Total	538,247	513,822	406,401
12. Deposits			
On demand	5,458,280	5,265,508	5,382,245
On terms of notice	929,836	858,360	362,598
Special deposit conditions	293,423	289,601	267,248
Total deposits	6,681,539	6,413,469	6,012,091
13. Issued bonds at amortised cost			
Bond issue	174,051	173,969	74,598
Total	174,051	173,969	74,598
Loan raised as Senior Non-Preferred, nominally The loan was raised as Senior Non-Preferred on 27 October 2021 and falls due for full redemption on 27 October 2026. The Bank has the option of early redemption as from 27 October 2025.	50,000	50,000	50,000
Loan raised as Senior Non-Preferred, nominally The loan was raised as Senior Non-Preferred on 2 September 2022 and falls due for full redemption on 2 September 2027. The Bank has the option of early redemption as from 2 September 2026.	25,000	25,000	25,000
Loan raised as Senior Non-Preferred, nominally The loan was raised as Senior Non-Preferred on 1 December 2023 and falls due for full redemption on 1 December 2030. The Bank has the option of early redemption as from 1 December 2027.	100,000	100,000	0

DKK 1,000	Q1 2024	Full year 2023	Q1 2023
14. Subordinated debt			
Capital certificate as below	64,369	64,329	24,723
In total	64,369	64,329	24,723
Subordinated debt included in the capital base according to CRR	64,369	64,329	24,723
Loan raised as subordinated debt, nominally	25,000	25,000	25,000
Interest rate, fixed rate	6.197%	6.197%	6.197%
The loan was raised on 2 September 2022 and falls due for full redemption on 2 September 2032. The Bank has the option of early redemption as from 2 September 2027.			
Loan raised as subordinated debt, nominally	40,000	40,000	0
Interest rate, floating rate (CIBOR 6 with an addition of 400bp.)	8.113%	8.113%	0.000%
The loan was raised on 1 June 2023 and falls due for full redemption on 1 June 2033. The Bank has the option of early redemption as from 1 June 2028.			
15. Share capital			
Share capital consists of 1,800,000 shares of DKK 1,000			
Own shares			
Number of own shares	0	0	0
16. Loans			
Write-downs on loans, guarantees and non-utilised credit facilities:			
New write-downs concerning new facilities during the period	1,461	16,292	1,733
Reversal of write-downs concerning redeemed facilities	-3,611	-16,688	-3,651
Net write-downs during the period as a consequence of changes in the credit risk	7,498	14,998	9,163
Losses without preceding write-downs	50	158	40
Received for claims previously written off	-72	-600	-293
Recognised in the statement of income	5,326	14,160	6,992

DKK 1,000	Stage 1	Stage 2	Stage 3	Total
Write-downs on loans				
31.03.2024				
Start of the period	27,301	78,003	90,562	195,866
New write-downs concerning new facilities during the year	311	250	756	1,317
Reversal of write-downs concerning redeemed facilities	-610	-520	-508	-1,638
Change in write-downs at the beginning of the year – transfer to stage 1	3,666	-3,498	-168	0
Change in write-downs at the beginning of the year – transfer to stage 2	-715	3,098	-2,383	0
Change in write-downs at the beginning of the year – transfer to stage 3	-3	-184	187	0
Net write-downs as a consequence of changes in the credit risk	-3,474	12,701	-102	9,125
Previously written down, now finally lost			-165	-165
Interest on written-down facilities			1,503	1,503
Write-downs in total	26,476	89,850	89,682	206,008

Write-downs on guarantees**31.03.2024**

Start of the period	1,096	2,695	5,942	9,733
New write-downs concerning new facilities during the year	117	18	0	135
Reversal of write-downs concerning redeemed facilities	-1	0	-8	-9
Change in write-downs at the beginning of the year – transfer to stage 1	1,852	-305	-1,547	0
Change in write-downs at the beginning of the year – transfer to stage 2	-1	10	-9	0
Change in write-downs at the beginning of the year – transfer to stage 3	-2	0	2	0
Net write-downs as a consequence of changes in the credit risk	-1,987	-768	-430	-3,185
Write-downs in total	1,074	1,650	3,950	6,674

DKK 1,000	Stage 1	Stage 2	Stage 3	Total
Write-downs on non-utilised drawing rights				
31.03.2024				
Start of the period	345	517	1,847	2,709
New write-downs concerning new facilities during the year	9	0	0	9
Reversal of write-downs concerning redeemed facilities	-100	-284	-1,580	-1,964
Change in write-downs at the beginning of the year – transfer to stage 1	49	-50	1	0
Change in write-downs at the beginning of the year – transfer to stage 2	-5	101	-96	0
Change in write-downs at the beginning of the year – transfer to stage 3	0	0	0	0
Net write-downs as a consequence of changes in the credit risk	117	642	799	1,558
Write-downs in total	415	926	971	2,312

Write-downs on loans**31.12.2023**

Start of the period	28,826	64,706	86,477	180,009
New write-downs concerning new facilities during the year	5,007	9,510	1,016	15,533
Reversal of write-downs concerning redeemed facilities	-3,019	-2,942	-7,625	-13,586
Change in write-downs at the beginning of the year – transfer to stage 1	6,524	-5,889	-635	0
Change in write-downs at the beginning of the year – transfer to stage 2	-1,354	7,445	-6,091	0
Change in write-downs at the beginning of the year – transfer to stage 3	-136	-1,229	1,365	0
Net write-downs as a consequence of changes in the credit risk	-8,547	6,402	15,215	13,070
Previously written down, now finally lost			-3,593	-3,593
Interest on written-down facilities			4,433	4,433
Write-downs in total	27,301	78,003	90,562	195,866

DKK 1,000	Stage 1	Stage 2	Stage 3	Total
Write-downs on guarantees				
31.12.2023				
Start of the period	1,239	1,025	5,772	8,036
New write-downs concerning new facilities during the year	201	414	16	631
Reversal of write-downs concerning redeemed facilities	-2	-3	-68	-73
Change in write-downs at the beginning of the year – transfer to stage 1	2,070	-154	-1,916	0
Change in write-downs at the beginning of the year – transfer to stage 2	-117	179	-62	0
Change in write-downs at the beginning of the year – transfer to stage 3	-7	-48	55	0
Net write-downs as a consequence of changes in the credit risk	-2,288	1,282	2,145	1,139
Write-downs in total	1,096	2,695	5,942	9,733

Write-downs on non-utilised drawing rights

31.12.2023				
Start of the period	498	547	3,776	4,821
New write-downs concerning new facilities during the year	21	107	0	128
Reversal of write-downs concerning redeemed facilities	-159	-34	-2,836	-3,029
Change in write-downs at the beginning of the year – transfer to stage 1	28	-3	-25	0
Change in write-downs at the beginning of the year – transfer to stage 2	-6	497	-491	0
Change in write-downs at the beginning of the year – transfer to stage 3	0	-1	1	0
Net write-downs as a consequence of changes in the credit risk	-37	-596	1,422	789
Write-downs in total	345	517	1,847	2,709

Write-downs on loans

31.03.2023				
Start of the period	28,826	64,706	86,477	180,009
New write-downs concerning new facilities during the year	967	325	283	1,575
Reversal of write-downs concerning redeemed facilities	-1,609	-841	-671	-3,121
Change in write-downs at the beginning of the year – transfer to stage 1	2,811	-2,301	-510	0
Change in write-downs at the beginning of the year – transfer to stage 2	-405	2,144	-1,739	0
Change in write-downs at the beginning of the year – transfer to stage 3	-104	-259	363	0
Net write-downs as a consequence of changes in the credit risk	-4,183	757	8,242	4,816
Previously written down, now finally lost			-379	-379
Interest on written-down facilities			1,188	1,188
Write-downs in total	26,303	64,531	93,254	184,088

DKK 1,000	Stage 1	Stage 2	Stage 3	Total
Write-downs on guarantees				
31.03.2023				
Start of the period	1,239	1,025	5,772	8,036
New write-downs concerning new facilities during the year	140	3	0	143
Reversal of write-downs concerning redeemed facilities	-1	-2	-43	-46
Change in write-downs at the beginning of the year – transfer to stage 1	604	-41	-563	0
Change in write-downs at the beginning of the year – transfer to stage 2	-56	81	-25	0
Change in write-downs at the beginning of the year – transfer to stage 3	-10	-48	58	0
Net write-downs as a consequence of changes in the credit risk	-700	311	4,297	3,908
Write-downs in total	1,216	1,329	9,496	12,041

Write-downs on non-utilised drawing rights

31.03.2023				
Start of the period	498	547	3,776	4,821
New write-downs concerning new facilities during the year	4	0	11	15
Reversal of write-downs concerning redeemed facilities	-39	-15	-430	-484
Change in write-downs at the beginning of the year – transfer to stage 1	220	-217	-3	0
Change in write-downs at the beginning of the year – transfer to stage 2	-1	8	-7	0
Change in write-downs at the beginning of the year – transfer to stage 3	0	0	0	0
Net write-downs as a consequence of changes in the credit risk	141	153	145	439
Write-downs in total	823	476	3,492	4,791

DKK 1,000	Q1 2024	Full year 2023	Q1 2023
17. Contingent liabilities			
Mortgage finance guarantees	1,037,793	1,042,320	1,000,642
Registration and remortgaging guarantees	223,266	182,870	266,290
Other guarantees	535,697	549,236	650,846
Guarantees, etc. in total	1,796,756	1,774,426	1,917,778
Provision balance for guarantees	6,674	9,733	12,041
Provision balance for non-utilised credit facilities	2,312	2,709	4,791
<p>The Bank is a member of BEC (BEC Financial Technologies a.m.b.a.). On any withdrawal the Bank will be obliged to pay a withdrawal fee to BEC equivalent to the preceding three years' IT costs.</p> <p>Like the rest of the Danish banking sector, the Bank has an obligation to make payments to the Guarantee Fund and the Resolution Fund.</p>			
18. Capital conditions and solvency			
Credit risk	4,551,730	4,607,677	4,735,268
CVA risk	10,098	10,267	12,049
Market risk	212,705	233,494	267,648
Operational risk	721,601	721,601	628,793
Total risk exposure	5,496,134	5,573,039	5,643,758
Equity at the beginning of the period	1,479,123	1,318,592	1,318,592
Comprehensive income for the period	0	196,531	0
Proposed dividend, accounting effect	24,750	-74,250	9,000
Paid dividend	-99,000	-36,000	-36,000
Framework for ratio of own shares	-5,985	-11,250	-10,980
Deduction for capital shares in the financial sector	-8,639	0	0
Deductions for prudent valuation	-1,436	-1,443	-1,684
Deductions for Non-Performing Exposures	-8,164	-6,351	-6,456
Actual core capital	1,380,649	1,385,829	1,272,472
Supplementary capital	64,369	64,329	24,753
Capital base	1,445,018	1,450,158	1,297,225
Actual core capital ratio	26.3	26.0	23.0
Capital ratio	25.1	24.9	22.6
Statutory capital ratio requirements	8.0	8.0	8.0

