

Quarterly Report

Q1 2024

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Management's review

Report for Q1 in headlines

Good start to 2024

GrønlandsBANKENS resultat før skat lyder på kr. 61,8 mio. for første kvartal af 2024, mod kr. 49,4 mio. i første kvartal af 2023. Resultatet før kursreguleringer og nedskrivninger udgør tilfredsstillende kr. 61,7 mio. mod kr. 48,5 mio. året før.

Udlån er steget med kr. 79 mio. siden udgangen af 2023, og udgør kr. 4.892 mio. ved første kvartals udgang. Det var ventet, at den fortsat gunstige økonomiske udvikling i Grønland ville medføre en positiv, men mere afdæmpet vækst i bankens udlån i 2024. Garantierne er samtidig vokset med kr. 23 mio. fra kr. 1.774 mio. ved udgangen af 2023 til kr. 1.797 mio. ultimo 1. kvartal 2024.

Stigning i netto rente- og gebyrindtægter i 1. kvartal af 2024 på kr. 15,6 mio. til kr. 119,6 mio. kr. sammenlignet med samme periode i 2023. Stigningen skyldes primært den rekordhøje udlånmængde samt udviklingen i renteniveauet i 2023 og 2024. Sammenlignet med 1. kvartal 2023 er udlån og garantier samlet vokset med kr. 372 mio. frem til udgangen af 1. kvartal 2024.

De samlede omkostninger inkl. afskrivninger udgør ved udgangen af første kvartal 2024 kr. 59,2 mio. mod kr. 56,9 mio. i samme periode i 2023.

Stigningen kan opdeles i personaleudgifter, hvor der dels er tale om en stigning som følge af overenskomstmæssig regulering og flere ansatte, samt i øvrige administrationsomkostninger, hvor stigningen primært kan henføres til IT omkostninger.

Kursreguleringer udviser ved udgangen af 1. kvartal 2024 en kursgevinst på kr. 5,4 mio. mod en kursgevinst på 7,9 mio. i samme periode 2023. Udviklingen i rentemiljøet har bevirket, at bankens obligationsbeholdning har udviklet sig negativt mens bankens sektoraktiebeholdning og valutaområdet har udviklet sig positivt.

Nedskrivninger på udlån og garantier udgør i første kvartal af 2024 kr. 5,3 mio. mod kr. 7,0 mio. i 1. kvartal af 2023. Banken ser fortsat en tilfredsstillende bonitet i låneporteføljen. I tillæg til bankens individuelle nedskrivningsmodeller afsættes et managementtillæg på kr. 46,8 mio. Tillægget imødekommer i særdeleshed risici forbundet med stigende inflation, renter og konjunkturusikkerheder.

I fondsbørsmeddelelse af 14. december 2023 blev forecast for årets resultat før skat for 2024 angivet til et interval på kr. 180-230 mio., hvilket fastholdes.

-  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	25.1	23.0	26.0	24.4	22.3	24.6
Core capital ratio	26.3	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

Nettorenteindtægterne er med t.kr. 93.199 mod t.kr. 73.969 i første kvartal 2023 steget med godt 25 %. Det stigende renteniveau gennem 2023 samt det høje udlånsniveau driver fremgangen.

Det i gennem 2023 stigende renteniveau nåede sit nuværende niveau i 3. kvartal af 2023, hvorfor renteniveauet i 1. kvartal af 2024 er højere end i 1. kvartal af 2023. Udlånet er samtidig vokset med t.kr. 492.784 eller 11,2% i perioden fra 1. kvartal af 2023 til udgangen af 1. kvartal af 2024.

Banken har dog samtidig, som forventet, oplevet indlånsbevægelser mod opsparings- og højrentekonti, hvorfor indlånsmarginen er reduceret.

Gebyr- og provisionsindtægter udviser et fald på t.kr. 2.256 i forhold til samme periode i 2023. Lavere investeringsaktivitet og forsikringsformidlingsprovision påvirker posten negativt.

Nettorente- og gebyrindtægter er samlet vokset med t.kr. 15.573 til t.kr. 119.629 i første kvartal 2024.

Andre driftsindtægter udgør t.kr. 1.301, hvilket er et fald på t.kr. 91 fra 1. kvartal 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

Nedskrivninger på udlån m.v. udgør t.kr. 5.326 mod t.kr. 6.992 i samme periode i 2023. Banken ser fortsat en god bonitet i udlånsporteføljen. Nedskrivningsniveauet er fortsat beskedent og periodens nedskrivningsprocent udgør 0,1%.

På trods af usikre makroøkonomiske udsigter som følge af stigende inflation, højere renteniveau og geopolitisk ustabilitet er Grønland og GrønlandsBANKENS kunder indtil videre ikke

Udgifter til personale og administration udgør t.kr. 56.406, hvilket er en stigning på t.kr. 2.016 i forhold til 1. kvartal 2023. Personaludgifterne udviser en stigning på t.kr. 3.086 som følge af opnormeringer og overenskomstmæssig lønstigning. Administrationsomkostningerne viser et fald på t.kr. 1.070. Dette dækker dog over en stigning i IT omkostninger, og et fald som følge af omkostninger af engangskarakter afholdt i 1. kvartal af 2023.

Andre driftsudgifter, som består af drift og vedligehold af bankens bankbygninger er i første kvartal 2024 steget med t.kr. 175 til t.kr. 639, sammenlignet med samme periode i 2023. Stigningen skyldes periodeforskydninger i omkostningernes afholdelse.

Afskrivninger på materielle aktiver udgør t.kr. 2.141 mod t.kr. 2.060 i samme periode 2023.

Resultatet før kursreguleringer og nedskrivninger udgør herefter tilfredsstillende t.kr. 61.744 mod t.kr. 48.534 i 1. kvartal af 2023.

Kursreguleringer viser en samlet kursgevinst på t.kr. 5.367 mod en kursgevinst i samme periode sidste år på t.kr. 7.907. Bankens beholdning af sektoraktier og valutaområdet har udviklet sig gunstigt i 1. kvartal. Samtidig har bankens obligationsbeholdning med baggrund i renteniveauet dog givet kurstab i første kvartal af 2024 i modsætning til første kvartal af 2023, som viste en markant kursgevinst.

markant udfordret. Den fremtidige økonomiske udvikling er dog forbundet med usikkerhed.

I tillæg til de individuelle nedskrivninger har banken med udgangspunkt i dette fastholdt en betydelig managementreserve på kr. 46,8 mio. til imødegåelse af risici.

Resultat før skat udgør herefter t.kr. 61.785 og er dermed t.kr. 12.336 højere end i samme periode i 2023.

Balance sheet and equity

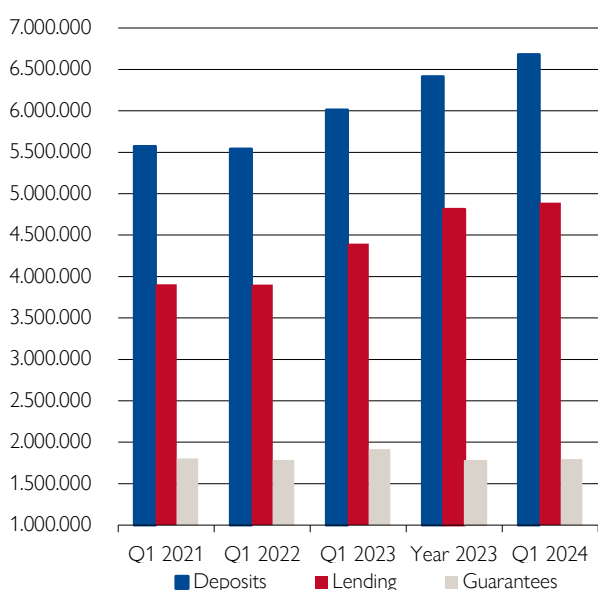
Bankens udlån er i første kvartal steget tilfredsstillende med t.kr. 78.749 til t.kr. 4.891.724, mens bankens garantistillelser overfor kunder er steget med t.kr. 22.330 i forhold til ultimo 2023 og udgør ultimo marts 2024 t.kr. 1.796.756.

Banken har i 1. kvartal af 2024 erhvervet 5 nye personaleboliger, hvorfor domicilejendomme er steget til t.kr. 310.900.

Bankens indlån, hvoraf den altovervejende del er anfordringsmidler, udgør ved udgangen af marts 2024 t.kr. 6.681.539, hvilket er en stigning i forhold til udgangen 2023 på t.kr. 268.070. Banken har fortsat en stabil indlåns-/udlånsratio på ca. 137 %.

Bankens egenkapital er efter udbetaling af det på generalforsamlingen for 2023 vedtagne udbytte på t.kr. 99.000 faldet fra t.kr. 1.479.123 til t.kr. 1.452.334.

Den samlede balance er herefter forøget med t.kr. 108.415 til t.kr. 9.092.785.



Uncertainty of recognition and measurement

De væsentligste usikkerheder ved indregning og måling knytter sig til nedskrivninger på udlån, hensættelser på garantier og uudnyttede kreditfaciliteter samt værdiansættelse af ejendomme, unoterede papirer, samt finansielle instrumenter. Ledelsen vurderer, at usikkerheden ved regnskabsaflæggelsen er på et niveau, der er forsvarligt.

Finanstilsynet offentliggjorde den 29. november 2023 notatet "Tabsniveauer på eksponeringer sikret ved pant i fast ejendom", hvori tilsynet vurderer, hvorvidt der eksisterer et veludviklet og

veletableret marked for ejendomme i Danmark, på Færøerne og i Grønland.

Særligt vedrørende Færøerne og Grønland har det ifølge notatet ikke været muligt for Finanstilsynet på baggrund af de fastsatte kriterier at vurdere, om der eksisterer et veludviklet og veletableret marked for beboelses- og erhvervsjendomme på Færøerne og i Grønland. Vurderingen har betydning for kapitalbelastningen af eksponeringer sikret ved pant i fast ejendom.

Derfor har Finanstilsynet efterfølgende sendt notatet i høring og rettet henvendelse til de nordatlantiske pengeinstitutter, herunder GrønlandsBANKEN tillige med realkreditinstitutter med nordatlantiske ejendomseksponeringer for en yderligere belysning af ejendomsmarkedet i Grønland.

GrønlandsBANKEN har på den baggrund leveret et supplerende erfaringsgrundlag til Finanstilsynet baseret på lokalkendskab til det grønlandske ejendomsmarked for at understøtte en vurdering af, at der eksisterer et veludviklet og veletableret marked for ejendomme i Grønland.

Afklaringen af ejendomsmarkedets status i Grønland forventes først at foreligge i løbet af 2024.

Financial risks

GrønlandsBANKEN er eksponeret over for forskellige finansielle risici, som styres på forskellige niveauer i organisationen. Bankens finansielle risici udgøres af:

Kreditrisiko: Risiko for tab som følge af, at debitorer eller modparter misligholder indgåede betalingsforpligtelser.

Markedsrisiko: Risiko for tab som følge af, at dagsværdien af finansielle instrumenter og afledte finansielle instrumenter fluktuerer ved ændringer i markedspriser. GrønlandsBANKEN henregner tre typer risici til markedsrisikoområdet: renterisiko, valutarisiko og aktierisiko.

Likviditetsrisiko: Risiko for tab som følge af, at finansieringsomkostningerne stiger uforholdsmæssigt meget, risikoen for at banken forhindres i at opretholde den vedtagne forretningsmodel, som følge af manglende finansiering/funding eller ultimativt risikoen for, at banken ikke kan honorere indgåede betalingsforpligtelser ved forfald som følge af manglende finansiering/funding.

Operationel risiko: Risiko for at banken helt eller delvist må tage økonomiske tab som følge af utilstrækkelig eller uhensigtsmæssige interne procedurer, menneskelige fejl, IT-systemer mm.

Capital requirement

GrønlandsBANKEN skal i henhold til lovgivningen have et kapitalgrundlag, der understøtter risikoprofilen. Banken opgør kredit- og markedsrisikoen efter standardmetoden og operationel risiko efter basisindikatormetoden.

NEP-krav

Kravet til nedskrivningsegne passiver skal ses som et led i genopretning af pengeinstitutter. Dette indebærer, at institutter omfattet af kravet, skal opretholde en andel af kapitalinstrumenter og gældsforpligtelser, som i en afviklingssituation skal nedskrives eller konverteres før simple krav.

GrønlandsBANKEN fik d. 30. november 2023 fastsat et revideret NEP-krav på 30,2 % af bankens risikovægtede aktiver pr. ultimo 2022. NEP-kravet indføres i perioden 2022 til 2027. Den lineære indfasning bevirker, at banken i 2024 skal opfylde et NEP-krav på 7,55 %. Dette betyder, at banken henover de kommende år skal dække det indfasede krav ved udstedelse af kapitalinstrumenter og konsolidering af egenkapitalen.

Banken har i forlængelse af det fastsatte NEP-krav foretaget udstedelser i både 2021, 2022 og 2023. Der er samlet udstedt kr. 175 mio. i Senior Non-Preferred og kr. 65 mio. i efterstillede kapitalindskud.

Banken forventer også i 2024 at foretage udstedelser.

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

I henhold til lov om finansiel virksomhed skal bestyrelsen og direktionen sikre, at GrønlandsBANKEN har et tilstrækkeligt kapitalgrundlag. Det tilstrækkelige kapitalgrundlag er den kapital, der efter ledelsens vurdering som minimum skal til for at dække alle risici.

GrønlandsBANKEN blev udpeget som SIFI-institut i april 2017.

Med det fastsatte krav for nedskrivningsegne passiver forventer bestyrelsen, at det samlede kapitalberedskab skal øges over de kommende år. Bestyrelsen har som mål, at der skal være kapitalmæssig kapacitet til vækst i bankens forretning lige som der skal være tilstrækkelig kapital til at dække løbende udsving i de risici banken påtager sig.

Bankens bestyrelse vedtog derfor i 2021 en kapitalmålsætning med et fastlagt target for CET1 på 24%. GrønlandsBANKENS kernekapitalprocent er ved udgangen af 1. kvartal 2024 opgjort til 25,1 og kapitalprocenten til 26,3. Henset til usikkerhederne beskrevet ovenfor vedr. eksponeringer sikret ved pant i fast ejendom, så finder banken det væsentligt, at kernekapitalprocenten realiseres på et højere niveau end det fastlagte target.

Resultatet for 1. kvartal af 2024 er ikke verificeret af bankens revisor og indgår derfor ikke i kapitalprocenten. Indregnes resultatet for 1. kvartal af 2024 kan kernekapitalprocenten beregnes til 26,1 % og kapitalprocenten til 27,2.

Bankens individuelle solvensbehov er pr. ultimo marts 2024 opgjort til uændret 11,1 %. GrønlandsBANKEN har dermed en kapitaloverdækning før bufferkrav på 15,2 % eller t.kr. 832.773. Efter fradrag for kapitalbevaringsbufferkrav på 2,5 % og SIFI-bufferkrav på 1,5 % er overdækningen på 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 stabilising 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 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

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%

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

GrønlandsBANKEN forventer som beskrevet i årsrapporten for 2023 på trods af inflation og rentestigninger moderat økonomisk vækst i Grønland i 2024.

På den baggrund forventes udlånet at udvikle sig positivt frem mod udgangen af året, men med en væsentligt lavere vækst end i de foregående 2 år. Indlånet forventes på niveau med ultimo 2023.

Banken vil være påvirket negativt, hvis inflation og konjunkturer forværres i betydeligt omfang.

De samlede basisindtægter forventes at stige i 2024, hvor særligt den højere udlånsmængde og udvikling i rentemiljøet er de primære årsager.

De samlede omkostninger inkl. afskrivninger forventes højere end i 2023. Der forventes enkelte opnormeringer på personaleområdet og fuld effekt af opnormeringer i 2023. På administrationsomkostninger forventes også en stigning primært på IT-området og efteruddannelse af medarbejdere.

Det er bankens vurdering, at boniteten i låneporteføljen er tilfredsstillende. Nedskrivninger på udlån forventes derfor fortsat på et lavt men normaliseret niveau.

På baggrund af renteniveauet må der forventes gevinst på bankens børsnoterede værdipapirer. Der forventes kursgevinster fra valutaområdet og sektoraktier.

På baggrund af disse forhold fastholdes uændret en forventning om et resultat før skat i 2024 i niveauet kr. 180-230 mio.

Management Statement

Bestyrelse og direktion har i dag behandlet og godkendt kvartalsrapporten for perioden 1. januar – 31. marts 2024 for GrønlandsBANKEN, aktieselskab.

Kvartalsrapporten er aflagt i overensstemmelse med lov om finansiel virksomhed og ledelsesberetningen er udarbejdet i overensstemmelse med lov om finansiel virksomhed. Kvartalsrapporten er herudover udarbejdet i overensstemmelse med yderligere danske oplysningskrav for børsnoterede finansielle virksomheder.

Det er vores opfattelse, at kvartalsrapporten giver et retvisende billede af bankens aktiver, passiver og finansielle stilling pr. 31. marts 2024, samt af resultatet af bankens aktiviteter for første kvartal i 2024.

Ledelsesberetningen indeholder efter vores opfattelse en retvisende redegørelse for udviklingen i bankens aktiviteter og økonomiske forhold, samt en beskrivelse af de væsentligste risici og usikkerhedsfaktorer, som GrønlandsBANKEN står overfor.

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

