

To Nasdaq OMX Copenhagen

18 March 2020

Company notification no. 06/2020

Change in proposed payment of dividend concerning the 2019 financial statements, and change in expectations of the annual result for 2020, as a consequence of increased market uncertainty related to Covid-19.

The Covid-19 situation, which has also affected Greenland, has given rise to greater uncertainty concerning the economic development in Greenland. In some segments, the bank's customers can also be expected to be affected, with significantly less activity, which can potentially increase the bank's losses. There is also considerably greater uncertainty on the financial markets, which affects the bank's value adjustments.

Dividend payment for 2019

In view of the uncertain situation as a consequence of Covid-19, the Bank of Directors of the BANK of Greenland has decided to recommend to the AGM that the dividend payment of DKK 30 per share proposed in the Annual Accounts for 2019 be changed to DKK 0 per share.

The bank's Board of Directors considers it important that, in view of the uncertain situation, the bank takes the responsibility to maximise the bank's already substantial capital reserves in order to support the credit requirements of companies in Greenland. The Board of Directors therefore does not believe that dividend should be paid in these circumstances, but will reserve the possibility, should the Covid-19 situation improve during 2020, to convene an extraordinary general meeting to consider the payment of dividend. This does not, therefore, represent any general change in the bank's dividend policy.

Change in expectations of the result for 2020

Due to the deterioration in the economic outlook as a consequence of the Covid-19 situation, it is expected that the BANK of Greenland's financial result for 2020 will be negatively affected. In view of the significantly increased market uncertainty and the risk of credit losses due to an extended Covid-19 process of up to five months, the BANK of Greenland is changing its expectations of the profit for the year before tax from the interval of DKK 120-140 million to the interval of DKK 80-130 million.

Since this is an unprecedented situation, of which it is difficult to predict the financial consequences, the BANK of Greenland expects to be able to provide a more precise update concerning our financial expectations in conjunction with the publication of the bank's interim report for Q1 2020. The BANK of Greenland's interim report for Q1 2020 will be published on 6 May 2020.

Kind regards,
BANK of Greenland

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