

The following notification from the Danish FSA dated 20 June 2025 has been translated from Danish to English by Grønlandsbanken. In the event of any discrepancies, the Danish text will apply

Danish Financial Supervisory Authority

20 June 2025

Grønlandsbanken as a systemically important financial institution (SIFI)

The Financial Supervisory Authority has designated Grønlandsbanken as a systemically important financial institution (SIFI) in Greenland. This is because Grønlandsbanken has exceeded the threshold values for two of the indicators for being designated as a SIFI in Greenland for two consecutive years.

A systemically important financial institution must remain below the thresholds for the indicators listed below for three consecutive years in order to cease being classified as a systemically important financial institution, pursuant to § 308, subsection 4, of the regulation on the entry into force for Greenland of the Financial Business Act (hereinafter referred to as the "Financial Business Act").

Indicators			
	2024	2023	Boundaries
Institute's balance as a percentage of GDP ¹	43,7	43,5	> 65
The institute's lending in Greenland as a percentage of the total lending by Greenlandic mortgage institutions in Greenland	77,9	76,9	> 50
The institute's deposits in Greenland as a percentage of the total deposits of Greenlandic financial institutions in Greenland	83,6	84,9	> 50

The Financial Supervisory Authority has assessed the systemic importance of Grønlandsbanken to be 8.3, cf. § 308, subsection 6, of the Act on Financial Business. The systemic importance is calculated as an average of the factors listed below, cf. § 308, subsection 6, of the Act on Financial Business, which is then divided by 10. Two of the factors are the same as the indicators mentioned above.

Factors and systemic nature	
	2024
The institute's balance as a percentage of the total balance of Grønlandsbanken and mortgage credit institutions I's total balance	88,3
The institute's lending in Greenland as a percentage of the total lending by Greenlandic monetary and mortgage institutions in Greenland	77,9
The institute's deposits in Greenland as a percentage of the total deposits of Greenlandic financial institutions in Greenland	83,6
Systemicity	8,3

¹ The latest GDP data from Greenland is from 2023.

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Based on the calculation of systemic importance, the institute is classified in the category of systemic importance, according to § 308, paragraph 7, of the Financial Business Act. Grønlandsbanken is classified in category 2, as per the table below.

Categories of systemicity	
	Systemicity
Category 1	≤ 5
Category 2	$[5-15[$
Category 3	$[15-25[$
Category 4	$[25-35[$
Category 5	≥ 35

Grønlandsbanken must meet a capital requirement in the form of a SIFI buffer requirement of 1.5%, which reflects the institution's systemic importance, cf. § 308, subsection 7, and § 125 h, of the Act on Financial Business. The SIFI buffer requirement must be fulfilled with actual common equity tier 1 capital (CET1).

It is the Minister for Business who sets the SIFI buffer requirements within the framework of the systemic buffer, cf. § 125 g, cf. § 125 a, subsection 5, of the Act on Financial Business.