

MINUTES OF ANNUAL GENERAL MEETING

On 25 March 2020, at 4pm, the Annual General Meeting of GrønlandsBANKEN A/S, CVR no. 80050410, was held at the bank's head office in Nuuk, Greenland.

The Chairman of the Board of Directors, Director Gunnar í Liða, opened the Annual General Meeting,

The Chairman stated that in accordance with the Articles of Association, the bank's Board of Directors had designated attorney Peter Schriver, Nuna Advokater, as chairman of the meeting, and he was asked by the Chairman to take over the meeting.

The chairman of the meeting began by noting:

- that the notice convening the Annual General Meeting was given in due time, in accordance with Article 7 of the Articles of Association, by announcement in Sermitsiaq.AG on 6 March 2020, and in Børsen on 5 March 2020, with the items to be included on the agenda in accordance with Article 10 of the Articles of Association;
- that the notice convening the meeting was given in writing to every shareholder listed in the shareholder register who had requested this notice;
- that in accordance with Article 6 of the Articles of Association, the Annual General Meeting was being held before the end of April;
- that notification of the Annual General Meeting was given to OMX NASDAQ Copenhagen/Copenhagen Stock Exchange on 2 March 2020;
- that the bank's employees were notified of the Annual General Meeting in accordance with Section 73 of the Danish Companies Act, by an internal notification dated 2 March 2020; and
- that the Annual Report and audit report were available for inspection by the shareholders at the bank's head office and, together with the agenda and the full proposals, were sent to all registered shareholders who had requested this information.

The chairman of the meeting then noted that the Annual General Meeting had been lawfully convened.

The chairman of the meeting stated that share capital with voting entitlement equivalent to 915,401 votes was represented at the Annual General Meeting, and that the represented capital accounted for 50.86% of the bank's total capital. Of the represented share capital with voting entitlement, 587,044 votes, equivalent to 64.13%, were represented in accordance with powers of attorney granted to the Board of Directors.

The agenda, which is included in the notice convening the Annual General Meeting, had the following wording:

1. The Board of Directors' Report on the bank's activities during the past year.
2. Presentation of the audited Annual Report and the Auditors' Report for approval and notification of discharge of the Board of Directors and Executive Management, approval of the remuneration of the Board of Directors, and proposal for a decision on the allocation of profit or cover of losses in accordance with the approved Annual Report.
3. Proposal from the Board of Directors for authorisation to acquire the bank's shares:

The Board of Directors proposes that the bank be authorised, for a period of five years up to 1 March 2024, and within 10% of the share capital, to acquire the bank's shares at the listed price at the time of acquisition, subject to upward or downward deviation by up to 10%.

4. Proposal from shareholder Kim Pedersen:
 - 1) The Board of Directors is requested to actually use any authority to acquire own shares, for as long as the price/book value ratio is lower than 1.00. It is assumed that acquisition can take place without the bank coming into conflict with the capital requirements. Until further decision, the Board of Directors is requested to add the acquired shares to the bank's own holdings.
 - 2) Before the next Annual General Meeting, the Board of Directors is requested to establish contact with BankNordik's Board of Directors in order to investigate whether there is a basis for a merger or other mutually binding cooperation between the banks, on an equal footing.

5. Election to the Board of Directors:

In accordance with Article 13 of the Articles of Association,

- Kristian Frederik Lennert
- Maliina Bitsch Abeisen, and

- Peter Angutinguaq Wistoft resign from the Board of Directors.

The Board of Directors proposes the re-election of Kristian Frederik Lennert, Maliina Bitsch Abelsen and Peter Angutinguaq Wistoft for a two-year period.

A description of the candidates' background, as well as the criteria for recruitment to the bank's Board of Directors, are stated in the Annex to item 5 of the agenda.

6. Election of external auditors.

The Board of Directors proposes re-election of Deloitte, Statsautoriseret Revisionspartnerselskab, in accordance with the recommendation of the Audit Committee. The Audit Committee has not been influenced by any third parties and has not been subject to any agreement with a third party that restricts the Annual General Meeting's election of specific auditors or firms of accountants.

7. Any other business.

Re item 1 of the agenda – The Board of Directors' report on the bank's activities during the past year

The Chairman then reported on the bank's activities during the past year. Due to the Coronavirus situation, the report was given by the Chairman via Skype. Reference is made to the Chairman's manuscript attached to the protocol of the minutes as **Annex 1**.

The chairman of the meeting then asked whether any of the shareholders had any questions or comments, including with regard to the Corporate Governance report and the CSR report included in the report, and as described in the Annual Report and on the bank's website, which was not the case.

The chairman of the meeting then noted

that the Board of Directors' report on the bank's activities in 2019 had been noted.

Re item 2 of the agenda – Presentation of the audited Annual Report and auditors' report for approval and notification of discharge of the Board of Directors and Executive Management, approval of the remuneration of the Board of Directors, and proposal for a decision on the allocation of profit or cover of losses in accordance with the approved Annual Report.

The chairman of the meeting stated that in accordance with Article 16 of the Articles of Association, the annual remuneration to the Board of Directors was also to be considered.

In this regard, the chairman of the meeting stated that there were no proposed changes.

Managing Director Martin Kviesgaard then reviewed the Annual Report for 2019 and the balance sheet at 31 December 2019 with related notes and commented on the key items of the Annual Report, just as the bank's focus points in 2019 were reviewed.

Managing Director Martin Kviesgaard furthermore reviewed an overview of changes to the Annual Report, etc. as a consequence of the Board of Directors' recommendation that no dividend be paid for 2019. The overview is attached to the protocol of the minutes as **Annex 2**.

The Annual Report showed a profit after tax of TDKK 121,918.

The bank's equity hereafter amounts to TDKK 1,077,676.

In view of the Coronavirus situation it was proposed that no dividend be paid, and that the profit after tax of TDKK 121,918 be carried forward to the following year.

The chairman of the meeting then asked whether any of the shareholders had questions or comments

on the Annual Report and audit report;

on the Board of Directors' wish for notification of discharge of the Board of Directors and Executive Management;

on the proposal made by the Board of Directors not to pay dividend and that the profit for the year after tax of TDKK 121,918 be carried forward to the following year; and

on the remuneration to the Board of Directors, which in overall terms remains unchanged.

There were no questions or comments.

On the basis of the postal votes and powers of attorney received, the chairman of the meeting could note

that with regard to the proposal concerning the remuneration of the Board of Directors, there were 2,280 votes against, and 913,121 votes in favour of the proposal, out of 915,401 valid votes cast, representing 50.86% of the share capital, and that there were no votes against the other proposals.

The chairman of the meeting then noted

that the Annual General Meeting had approved the Annual Report and notified discharge of the Board of Directors and Executive Board;

that the Annual General Meeting had approved the proposal made by the Board of Directors not to pay dividend and that the profit for the year after tax of TDKK 121,918 be carried forward to the following year; and

that the remuneration of the Board of Directors would remain unchanged, so that

- fixed remuneration of DKK125,000 is paid for Board work, with the Chairman of the Board of Directors receiving double remuneration (DKK 250,000) as before, and the Vice Chairman one and a half times the remuneration, at DKK 187,500.

Since it has been decided to divide the Audit and Risk Committee into two committees, the remuneration will be divided so that, in addition, fixed remuneration of DKK 25,000 is paid to the members of each committee, and of DKK 50,000 to the chairman of each committee. The total remuneration is thus unchanged, but is now distributed between two committees;

- that other committee posts be remunerated at a rate of DKK 10.000 to all members.

Re item 3 of the agenda – Proposal from the Board of Directors for authorisation to acquire the bank's shares

The Board of Directors proposes that the bank be authorised, for a period of five years up to 1 March 2024, and within 10% of the share capital, to acquire the bank's shares at the listed price at the time of acquisition, subject to upward or downward deviation by up to 10%.

There were no questions or comments from the shareholders.

On the basis of the postal votes and powers of attorney received, the chairman of the meeting could note that there were 2,280 votes against and 913,121 votes in favour, out of 915,401 valid votes cast, representing 50.86% of the share capital.

The chairman of the meeting then noted that the Annual General Meeting had given the Board of Directors the required authorisation.

Re item 4 of the agenda – Proposal from shareholder Kim Pedersen

- 1) The Board of Directors is requested to actually use any authority to acquire own shares, for as long as the price/book value ratio is lower than 1.00. It is assumed that acquisition can take place without the bank coming into conflict with the capital requirements. Until further decision, the Board of Directors is requested to add the acquired shares to the bank's own holdings.
- 2) Before the next Annual General Meeting, the Board of Directors is requested to establish contact with BankNordik's Board of Directors in order to investigate whether there is a basis for a merger or other mutually binding cooperation between the banks, on an equal basis.

In view of the Coronavirus situation, which meant that it was not possible for the proposer to attend the Annual General Meeting, the chairman of the meeting allowed the proposals to be voted on, and that the proposer's written grounds, cf. **Annex 3**, which are attached to the protocol of the minutes, be read out.

The Board of Directors recommended that the proposals be rejected and in this regard submitted the remarks also included in **Annex 3**.

The chairman of the meeting then submitted the proposals to the vote.

After the vote, the chairman of the meeting noted that neither of the proposals was adopted, with the votes distributed as follows:

Re proposal 1):

- 1) Number of valid votes cast: 915,401
- 2) Ratio of the share capital which these votes represent: 50.86%
- 3) Number of votes in favour: 60,216
- 4) Number of votes in against: 855,185

Re proposal 2):

- 1) Number of valid votes cast: 915,401
- 2) Ratio of the share capital which these votes represent: 50.86%
- 3) Number of votes in favour: 60,216
- 4) Number of votes in against: 855,185

Re item 5 of the agenda - Election to the Board of Directors

The chairman of the meeting noted that, in accordance with Article 13 of the Articles of Association, each year the three members of the Board of Directors who had served the longest as from the last election, were to resign. In accordance with this rule,

Kristian Frederik Lennert, Maliina Bitsch Abelsen and Peter Angutinguaq Wistoft resigned from the Board of Directors.

The Board of Directors had proposed the re-election of Kristian Frederik Lennert, Maliina Bitsch Abelsen and Peter Angutinguaq Wistoft for a two-year period.

The chairman of the meeting noted that, in accordance with Article 13 of the Articles of Association, the Board of Directors must consist of at least five and at most ten members elected by the Annual General Meeting, and that the recommendation of the Board of Directors would fulfil the requirements of the Articles of Association.

The chairman of the meeting asked whether any shareholders had other proposals, or wished to submit remarks, which was not the case.

The chairman of the meeting remarked that details of the proposed Board members' backgrounds, including their managerial positions in accordance with Section 49(6) of the Danish Companies Act, and the criteria for recruitment of members of the Board of Directors determined by the Board of Directors, were presented in the Annex to item 5 of the agenda.

The chairman of the meeting asked whether there were any remarks to this, which was not the case.

On the basis of the postal votes and powers of attorney received, the chairman of the meeting could note

that with regard to Kristian Frederik Lennert, there were 61,925 votes against and 853,476 votes in favour;

that with regard to Maliina Bitsch Abelsen, there were 60,216 votes against and 855,185 votes in favour; and

that with regard to Peter Angutinguaq Wistoft, there were 60,216 votes against and 855,185 votes in favour,

in all cases out of 915,401 valid votes cast, representing 50.86% of the share capital.

The chairman of the meeting then noted that Kristian Frederik Lennert, Maliina Bitsch Abelsen and Peter Angutinguaq Wistoft had been re-elected for a two-year period, and that

The Board of Directors thereafter comprised

- Gunnar í Liða
- Christina Finderup Bustrup
- Lars Holst
- Kristian Frederik Lennert
- Maliina Bitsch Abelsen, and
- Peter Angutinguaq Wistoft,

all elected by the shareholders.

The chairman of the meeting furthermore noted that the Board of Directors has the following members elected by the employees:

- Yvonne Jane Poulsen Kyed
- Malene Meilfart Christensen
- Niels Peter Fleischer Rex

and that as deputy members the employees had elected

- Søren Johan Kure
- Jacobine Grethe Karoline Katrine Poulsen
- Pilunnguaq Frederikke Johansen Kristiansen

The chairman of the meeting stated that the employee representatives were all elected by the employees at an election held on 19 March 2019.

Re item 6 of the agenda – Election of external auditor

Revisionsfirmaet Deloitte, Statsautoriseret Revisionspartnerselskab resigned in accordance with Article 19 of the Articles of Association.

The chairman of the meeting referred to the proposal from the Board of Directors that Deloitte Statsautoriseret Revisionspartnerselskab be re-elected as the bank's auditor.

The chairman of the meeting asked whether any shareholders wished to submit comments, which was not the case.

The chairman of the meeting thereafter noted that Deloitte Statsautoriseret Revisionspartnerselskab had been re-elected as auditor.

Re item 7 of the agenda – Any other business

Finally, the chairman of the meeting wished to hear whether any shareholders wished to speak, which was not the case.

The chairman of the meeting then closed the Annual General Meeting.

—000000000—

As chairman of the meeting:



Attorney Peter Schriver

Chairman's Verbal Report

Annual General Meeting, 25 March 2020

Due to the situation with the escalating coronavirus and the resulting Covid-19 pandemic, and the prohibition of meetings of more than ten people, there is very limited attendance of this annual general meeting, but I would still like to welcome you all. As stated by the chairman of the meeting, it is pleasing to note that so many people have given power of attorney and proxy votes to the Board of Directors, so that the actual participation today is considerable. I would therefore like to thank the shareholders for their support to the Board of Directors.

Growth in lending and capital gains gave the best result in the BANK of Greenland's history in 2019, which the Board of Directors describes as satisfactory. I will revert to the financial statements shortly, and Managing Director Martin Kviesgaard will then review the bank's annual report in greater detail.

I usually comment on the development in the world around us during the past year, which also affects our own and our customers' activities. Due to the very special situation faced by the world today. I will, however, reduce my review of external developments in 2019, and instead refer to the detailed economic report included in the annual report.

There is no doubt that the pandemic caused by the coronavirus is the greatest concern right now. It is difficult to say how much this will affect the development in the global economy this year, but there is no doubt concerning its impact on the markets, just as millions of people are affected. Based on the price fluctuations we have witnessed on the international stock exchanges, we can note that we need to go back to the financial crisis in 2008/2009, or even further back, to see anything like this development.

I will now turn to our own world, and then consider our assessment of the immediate future.

The BANK of Greenland achieved a profit before tax of DKK 150.5 million in 2019, which is the best result in the bank's 52-year history.

There is no doubt that 2019 was another busy year for the BANK of Greenland. The bank's market position was strong. In fact, we have never had so much money out working in society as we did in 2019.

We interpret this to mean that the bank is competitive and that we deliver an attractive product to people and companies in Greenland. We also seek to maintain the bank's reputation at a high level. We can see from the surveys performed that we have a good reputation, and this should in particular be viewed in the light of how in current years the overall sector is fighting to defend its reputation.

We believe that our vision to be for the benefit of Greenland, with constant focus on business development, represents value, and we believe that this is acknowledged, and that customers reward this by giving their business to the bank. There are many examples of this, and in particular the work on housing projects, several thousand Qimatut pensions, and many environmental and Illuga loans, are helping to create value.

I also know that this has generated a lot of activity in the bank. In particular, I would like to thank the bank's employees and managers for their extraordinary contributions. You have been vital to achieving the fine results in recent years. I also know that there is a lot of activity to operate and change the bank in the shadow of the coronavirus and the challenges this presents. Beyond the considerable immediate uncertainty, we believe that the development opportunities in the slightly longer term must still be expected to be favourable. It will be exciting to be part of our own development, but also of Greenland's development after the corona crisis.

In November, the BANK of Greenland received a visit by the Danish FSA. The bank published the FSA's supervisory report earlier in the month, and in this context the Executive Management commented that in the annual report the bank has taken account of the mandatory orders issued concerning write-downs, and that the bank is complying with the orders given.

There is no doubt that the bank, like other banks visited during 2019, has seen a tightening of the FSA's assessments of exposures and the administrative practice. We do not consider everything to be quite reasonable in relation to the bank's size and documented stable operation over many years, but we naturally take note of this, and will adhere to the FSA's instructions.

As an SIFI-designated banking institution since 2017, this SIFI status means that the bank's management continuously assesses the capital structure. In this respect, consideration of the authorities' expectations of the current and future optimum capitalisation of a banking institution is a significant aspect. There is also the need to have sufficient capital to take part in credit granting in Greenland.

As notified in the stock exchange announcement on 18 March, the Board of Directors has proposed the cancellation of the shareholder dividend of DKK 30 per share stated in the annual report. As the annual report shows, the bank's solvency ratio would be 22.5 if dividend were to be paid. We will later present the accounting consequences of the cancellation of dividend, but I can say that the solvency ratio will thereby increase to 23.4.

As stated in the stock exchange announcement, the Board of Directors has assessed that in this situation it is vital that the bank backs up with maximum equity strength, in order to support the credit requirements of companies in Greenland in view of the uncertain situation. Therefore we have chosen to cancel the dividend for the year.

In the aforementioned stock exchange announcement, the Board of Directors also stated that it is possible that an extraordinary general meeting might be convened later in the year, to consider the payment of dividend, if the situation improves and the capital requirement is reduced.

The bank's management has assessed the impact of the situation on the bank's operations and credit-loss expectations. This included consideration of other assets and in particular the risk of value adjustment of securities. The basic operations may also be affected by any decline in the lending volume, as a consequence of lower economic activity. All of these factors are assessed on the basis of a scenario with a significant impact around five months ahead, and thereby on the basis that the tourist season may actually have been lost.

In the preliminary statement on 18 March, the estimated result is changed from an expected annual profit of DKK 120-140 million before tax, to an expected annual profit of DKK 80-130 million before tax. This reflects the uncertainty of the assessment of the consequences, but also that we assess operations to be very robust.

We also assess that, even if Greenland is affected, and particularly the tourist sector, Greenland's economic position is still relatively favourable.

The key stabilising factor is the Danish block grant, which significantly stabilises the overall economy, while the large public sector and the strong, large publicly owned companies also have a stabilising effect.

The coronavirus situation will affect the economic development in Greenland, but by how much is still uncertain.

Copenhagen Economics has calculated this for the bank. In 2019, tourism accounted for a modest 1.9% of GDP. With multiplier effects, it is probable that GDP growth will fall from the previously expected around 3% in 2020 to closer to 0. There is no doubt, however, that the massive packages of economic assistance now being introduced will be of great significance. Food exports from the fishing industry are not yet affected significantly. A certain spillover to other sectors must be expected, however, and it will probably not be possible to estimate GDP before greater clarity is achieved. It is, however, vital to emphasise the importance of economic assistance packages not being financed in a way that entails seeking to help one sector by transferring an excessive share of the bill to another sector.

Other sectors may and must be expected to be affected, but our immediate assessment is that Greenland is a good place to be, particularly from an economic aspect, when a global crisis is unfolding. This was also our experience during the financial crisis around ten years ago.

When the situation has normalised, and we naturally do not know when this will be, we expect to see activity resulting from the airport construction projects that have been launched, and consequential investments in infrastructure and new business opportunities. We must admit that the economic visibility has diminished significantly, but we nonetheless assess that in the slightly longer term there are still good opportunities for development in Greenland. This will also be reflected in the continuing strength of the bank's traditional business, even though the development in 2020 is naturally subject to greater uncertainty.

Later on the agenda, the annual general meeting will consider a shareholder proposal calling on the bank's Board of Directors to contact BankNordik concerning a merger or other binding cooperation. The same shareholder has also proposed that the bank purchase own shares on a significant scale. Under the agenda item, I will describe why the bank's Board of Directors has recommended that both proposals be rejected.

In 2019, the bank received an award for its CSR reporting. This was an award for the best reporting by small and medium-sized enterprises to the Global Compact. This is a fine acknowledgement of our employees' great efforts, for the benefit of Greenland. The latest CSR report can be read in "Report on the BANK of

Greenland's corporate social responsibility in 2019" on the bank's website. On the website there is also a description of how we relate to the "Recommendations for corporate governance".

In 2019, the BANK of Greenland's Executive Management comprised Managing Director Martin Kviesgaard. In accordance with the Danish Financial Activities Act, the Chairman's report must include a report on the remuneration of the company's executive management. This remuneration amounted to DKK 3.254 million in 2019, compared to DKK 3.194 million in 2018. The remuneration package comprises salary including pension, holiday travel and company car, and telephone and Internet according to applicable rules in Greenland. Besides the remuneration package, severance pay of DKK 271,000 has been calculated for the year. This will only be paid out if certain specific conditions are fulfilled, if the Managing Director's employment continues for a number of years.

Before concluding this report from the Board of Directors, I would like to take this opportunity to thank the bank's many customers who have given us their business, and also thank the many business contacts and, not least, the bank's shareholders for good and constructive cooperation during the past year.

According to the Articles of Association, Kristian Frederik Lennert, Maliina Abelsen and Peter Angutinguaq Wistoft resign from the Board of Directors at the end of their term of office. The Board of Directors proposes the re-election of Kristian Frederik Lennert, Maliina Abelsen and Peter Angutinguaq Wistoft. Finally, I would also like to thank my colleagues in the Board of Directors for good and constructive cooperation.

The battle against the coronavirus is raging in Greenland, and even though there is general concern as to how this will develop, we hope that we can avoid the tragic consequences seen in several other countries. I would like to thank everyone for the great efforts being made in many parts of our society to help ensure that we can avoid this.

Thank you for your attention!

Changes in annual report as a consequence of General Meeting decision of no dividend pay out for 2019 - in DKK 1,000**Statement of income**

	According to Annual report 2019	Corrected without dividend
Profit before tax 2019	150,500	150,500
Tax	-20,582	-20,582
Profit for the year	129,918	129,918

Proposed allocation of profit

Profit for the year as stated above	129,918	129,918
Proposed dividend	54,000	0
Retained profit	75,918	129,918
Total allocation	129,918	129,918

Statement of comprehensive income

Profit for the year as stated above	129,918	129,918
Other comprehensive income after tax in total	2,599	2,599
Comprehensive income for the year	132,517	132,517

Assets

Assets in total	7,089,915	7,089,915
-----------------	------------------	------------------

Liabilities

Total debt	5,917,662	5,917,662
Total provisions	94,577	94,577
Share capital	180,000	180,000
Revaluation reserves	31,706	31,706
Retained earnings	811,970	865,970
Proposed dividend	54,000	0
Total equity	1,077,676	1,077,676
Total liabilities	7,089,915	7,089,915

Statement of changes in equity

	Share capital	Revaluation reserves	Retained earnings	Proposed dividend	Equity total
<i>According to annual report 2019</i>					
Equity, beginning of 2019, after distribution of dividend	180,000	29,092	736,067	0	945,159
Other comprehensive income		2,614	-15		2,599
Profit for the year			75,918	54,000	129,918
Equity, 31 December 2019	180,000	31,706	811,970	54,000	1,077,676
<i>Corrected without dividend</i>					
Equity, beginning of 2019, after distribution of dividend	180,000	29,092	736,067	0	945,159
Other comprehensive income		2,614	-15		2,599
Profit for the year			129,918		129,918
Equity, 31 December 2019	180,000	31,706	865,970	0	1,077,676

Capital base

	According to Annual report 2019	Corrected without dividend
Equity	1,077,676	1,077,676
Proposed dividend, accounting effect	-39,690	0
Deductions for prudent valuation	-1,531	-1,531
Capital base, 31 December 2019	1,036,455	1,076,145

Remarks from the proposer concerning the acquisition of own shares.

In recent years, the price of the bank's shares has shown a falling trend and is now well below net book value. Viewed over a period of five years, the shares have dropped by more than 30%. This decline has taken place despite so far good and stable earnings and increasing equity in the bank.

At the same time, the bank's dividend payments are lower than before, and will now probably lapse completely for the 2019 financial year. This must be expected to exert further downward pressure on the share price going forward, since so far the market has perceived the share as a stable dividend-paying share.

The proposer believes that the bank is sufficiently well-consolidated at the present time, in particular when compared with the sector in general. The primary task of the Board of Directors is to pursue the shareholders' justified interests by seeking to ensure that the bank creates value for the shareholders.

If necessary, it will be possible to sell the shares again, and in time probably at a profit for the bank. The bank's long-term opportunities to pay dividends will be improved when the dividend from own shares comes back to the bank's own reserves.

Comments and recommendation from the BANK of Greenland's Board of Directors concerning the proposal:

- Hitherto, the bank has continuously considered the business value of acquiring own shares, as they are described by the proposer, and has periodically used this opportunity.
- The bank must pursue the shareholders' interests in the short and long term, which the Board of Directors believes can best be done by balancing the justified expectation of an attractive return and cash flow from dividend. There is also the consideration of the authorities' expectations of capitalisation now and in the longer term, the capital requirement for business development, and the consideration of the bank's deposit customers' expectations of a secure bank.
- The Board of Directors cannot be made subject to an obligation to purchase or retain holdings of the bank's own shares, since it is the bank's Board of Directors, and not the shareholders, who are responsible for the bank's operations and capital.

On this basis, the Board of Directors recommends that the proposal be rejected.

Remarks from the proposer concerning the proposal for contact with BankNordik.

A number of aspects indicate that a merger or similar might be appropriate. This might be:

- Synergy in relation to optimising operations, and thereby savings for such functions as IT, compliance, etc.
- An overall strengthened capital base, providing for the handling of large single exposures without any conflict with the solvency requirements, and thereby a possible boost to the overall business scope. At the same time, reduced risk exposure towards individual customers and reduced dependence, with regional economic development.
- Contribution of new business areas to the BANK of Greenland within insurance, pension and real estate intermediation, which BankNordik already has on its palette.
- Easier, cheaper and secure funding, also to fulfil NEP requirements, and the creation of a more attractive and liquid share than the current BANK of Greenland share.
- Creation of a strong profile for a North Atlantic bank that can meet future requirements, create competences, attract qualified employees, and thereby support development within infrastructure, tourism, fisheries and other capital-intensive commercial development, not least when the new airports in Greenland are completed in 2023.

If BankNordik does not wish to seek a merger in an equal basis, acquisition of BankNordik's activities in the Faroe Islands might be a possibility. BankNordik's Danish branch network is probably not so much part of the BANK of Greenland's core business, but other Danish banks might be interested in this.

With regard to BankNordik's activities in Greenland, one could avoid taking over these, due to competition legislation.

Comments and recommendation from the BANK of Greenland concerning the proposal:

- The purpose of the BANK of Greenland is to conduct banking activities in Greenland, and not on the Faroe Islands.
- It is the view of the Board of Directors that the BANK of Greenland's shareholders and other stakeholders are still best served by the bank focusing its business on where the bank has the greatest insight, which is banking operations in Greenland.
- For a number of years, the bank has continuously handled large single exposures in cooperation with foreign financing sources.
- The bank has a product range that, with due consideration of the opportunities in Greenland, covers the conditions mentioned by the proposer.

On this basis, the Board of Directors recommends that the proposal be rejected.