

# The **BANK** of Greenland's Remuneration Report 2021





**Introduction**

This Remuneration Report has been prepared in accordance with the requirements of Section 139 b of the Danish Companies Act and contains an overview of the total remuneration received by each member of the Board of Directors and Executive Management of GrønlandsBANKEN A/S (the Bank), CVR no. 80050410, during the 2021 financial year, compared to the last five financial years.

The remuneration of the Board of Directors and Executive Management during the 2021 financial year has been allocated in accordance with the Bank's Remuneration Policy, which was approved at the annual general meeting held on 24 March 2021 and which is available on the Bank's website. The Remuneration Policy covers the requirements in both Sections 139 and 139 a of the Danish Companies Act and Section 77 d of the Danish Financial Business Act.

The overall purpose of the remuneration is to attract, motivate and retain qualified members of the Board of Directors and Executive Management, and to align the interests of the Board of Directors and Executive Management with the interests of the Bank and the Bank's shareholders.

The information contained in this Remuneration Report is derived from the audited annual reports of the Bank for the 2017–2021 financial years, which are available on the Bank's website. All amounts are stated in DKK.





## Statement by the Board of Directors

The Board of Directors has today considered and approved the Remuneration Report for GrønlandsBANKEN A/S for the financial year 1 January – 31 December 2021. The Remuneration Report is presented in accordance with Section 139 b of the Danish Companies Act. In our opinion, the Remuneration Report is in accordance with the company's Remuneration Policy, which was approved at the company's annual general meeting, and is free from material misstatements and omissions, whether due to fraud or error. The Remuneration Report is recommended for an indicative vote at the company's annual general meeting.

Nuuk, 2 March 2022

Board of Directors:

Gunnar í Liða  
Chair

Kristian Frederik Lennert  
Vice Chair

Maliina Bitsch Abelsen

Malene Meilfart Christensen

Lars Holst

Yvonne Jane Poulsen Kyed

Niels Peter Fleischer Rex

Peter Angutinguaq Wistoft

Ellen Dalsgaard Zdravkovic



## Remuneration – General

The Remuneration Report has been prepared on the basis of the recommendations from the Committee on Corporate Governance and the rules applying to Greenland.

The BANK of Greenland's Remuneration Policy is intended to ensure that the Bank can attract, motivate and retain qualified members of the Board of Directors, management and other employees.

The Remuneration Policy will ensure appropriate balance between the Executive Management's fixed remuneration and any variable remuneration. The remuneration is intended to ensure long-term value creation. The Remuneration Policy must therefore promote sound and effective financial management by not creating incentives for exaggerated risk-taking, or promoting unilateral short-term decisions to the detriment of the long-term requirements and objectives of customers and shareholders, as well as the Bank.

## Remuneration of the Executive Management

The Executive Management consists of one person. The table below presents the remuneration of the Executive Management for 2021 and previous years:

TDKK	2021	2020	2019	2018	2017
Fixed salary, including value of free car, etc.	2,917	2,855	2,783	2,732	2,685
Pension	495	483	471	460	448
Provision for conditional pension/severance scheme	284*	278*	271*	265*	259*
In total (TDKK)	3,696	3,616	3,525	3,457	3,392
Annual change in total remuneration (%)	2.21	2.52	1.93	1.88	2.18

\*In 2016, the Bank established a defined-benefit and conditional severance/pension scheme for the Bank's Managing Director. Under this scheme, subject to certain specifically agreed terms, the Bank is obliged to pay a fixed benefit for a period of time following the Managing Director's retirement. The present value of the year's share of the accumulated conditional obligation for the year 2021 is TDKK 284, which is recognised under pension for the Executive Management. The obligation, which is expected to be accrued in the 2016-2028 period, may total 0-24 months' salary and consists of 50% shares and 50% cash payment. A clawback clause is incorporated in the agreement, and also that the agreement may lapse in particular situations. There are no other variable salary elements in the Executive Management's remuneration.

Distribution of the remuneration of the Executive Management	2021
Fixed salary, including value of free car, etc.	79 %
Pension	13 %
Provision for conditional pension/severance scheme	8* %
In total (TDKK)	100 %

The severance scheme may in total amount to 0-200% of the total annual remuneration as of the termination date, with the addition of remuneration during the notice period of up to 12 months. The metrics applied to eligibility for the severance package are employment for a specific number of years (retention), achievement of a minimum return on equity, and compliance with mandatory orders issued by the Danish FSA. The Executive Management may be employed until the end of the calendar year in which the Managing Director reaches the age of 62.

## Remuneration of the Board of Directors:

The remuneration for Board work for 2021 is maintained at DKK 125,000, whereby the Chair of the Board of Directors receives double remuneration, and the Vice Chair receives one and half times the remuneration. The remuneration for Audit and Risk Committee work amounts to DKK 25,000 in each case, whereby the Chair of the committee receives double remuneration. Concerning the Vice Chair's remuneration, at the general meeting in 2021 an amendment was adopted whereby the Vice Chair receives one and a half times the remuneration for membership of the Audit and Risk Committees. The Vice Chair's remuneration thereby increased by approximately 10%. The remuneration of other board members was unchanged.

The remuneration for other committee positions, as before, amounts to DKK 10,000 to all members. No members receive special remuneration for consulting work for the BANK of Greenland. The members' travel and accommodation costs are covered.

The remuneration of the Board of Directors of the BANK of Greenland is distributed as follows:

	Chair	Vice Chair	Board member
Board remuneration	250,000	187,500	125,000
Audit Committee	50,000	37,500	25,000
Risk Committee	50,000	37,500	25,000
Nomination Committee	10,000	10,000	0
Remuneration Committee	10,000	10,000	10,000
Total 2021	370,000	282,500	185,000/175,000
Total 2020	370,000	257,500	185,000/175,000
Difference (%)	0	9.71	0



The table below presents the remuneration of the individual Board members in total for both Board and committee work.

TDKK	2021	2020	2019	2018	2017
Gunnar í Liða	370	370	370	370	270
Kristian F. Lennert	282.5	257.5	257.5	257.5	183
Frank O. Bagger	-	-	-	43.25 (resigned)	125
Anders J. Brøns	-	-	-	175 (resigned)	125
Christina F. Bustrup	43.75 (resigned)	175	175	175	125
Lars Holst	175	175	175	175	125
Ben Arabo	-	-	-	92.5 (joined and resigned)	-
Maliina B. Abelsen	175	175	175	131.25 (joined)	-
Peter A. Wistoft	175	175	131.25 (joined)	-	-
Ellen Dalsgaard Zdravkovic	131.25 (joined)	-	-	-	-
Arne G. Petersen	-	-	-	-	104 (resigned)
Allan Damsgård	-	-	-	-	115 (resigned)
Hans N. Boassen	-	-	43.25 (resigned)	175	10 (joined)
Yvonne J. P. Kyed	185	185	185	185	135
Elise Zeeb	-	-	43.25 (resigned)	175	21 (joined)
Malene Christensen	175	175	131.25 (joined)	-	-
Peter F. Rex	175	175	131.25 (joined)	-	-
In total (TDKK)	1,887.50	1,862.50	1,817.75	1,954.5	1,338

The Remuneration Policy has been adopted on the basis of an objective to ensure stable long-term development in the Bank's business results. The business results are described in the key financial indicators. The Bank also has the objective to contribute to the social, economic and sustainable development of Greenland's society.

### Remuneration – Comparative figures

Below, the development in the remuneration of the Board of Directors and Executive Management is compared with the development in the Bank's profit before and after tax.

Overview of the Bank's key financial indicators in recent years:

	2021	2020	2019	2018	2017
Profit before tax	158.9	130.9	150.5	140.3	132.6
Difference (%)	21.39	-14.97	6.78	5.49	14.48
Profit after tax	132.8	96.2	129.9	112.9	107.6
Difference (%)	38.04	-35.03	13.09	4.69	-1.12

Overview of the Bank's gross remuneration of full-time employees in recent years:

	2021	2020	2019	2018	2017
Average employee remuneration	660.69	643.92	629.07	602.88	600.77
Difference (%)	2.60	2.36	4.34	0.35	-

### Compliance with the Remuneration Policy

The remuneration of the Board of Directors and Executive Management for the 2021 financial year complies with the guidelines in the Remuneration Policy by contributing to the BANK of Greenland's business strategy, long-term interests, sustainability and value creation.

There is no deviation from or waiver of the guidelines laid down in the Remuneration Policy.

Prepared: March 2022