

## **The BANK of Greenland's Remuneration Report for 2023**

## **Introduction**

The BANK of Greenland is Greenland's largest bank and offers a wide range of financial products and services, combined with expert advisory services, to private customers and to small and medium-sized enterprises. The Bank's knowledge and areas of expertise include the provision of loans and deposits, payment settlement services and pension and investment advice. Based on the business strategy to be "For the benefit of Greenland", the Bank wishes to be a responsible and value-creating company. The Bank naturally wishes to support the development in Greenland for the benefit of Greenland, its customers and shareholders, and the Bank as a company.

This Remuneration Report has been prepared in accordance with the requirements of Section 139b of the Danish Companies Act and presents 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 2023 financial year, compared to the last five financial years.

The remuneration of the Board of Directors and Executive Management during the 2023 financial year was allocated in accordance with the Bank's Remuneration Policy, which was approved at the Annual General Meeting held on 29 March 2021 and which is available on the Bank's website: [BANK of Greenland](#)

The Remuneration Policy, covers both the requirements in 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 for the 2019-2023 financial years. 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 2023. 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, 27 February 2024

Board of Directors:

Gunnar í Liða  
Chair

Kristian Frederik Lennert  
Vice Chair

Maliina Bitsch Abelsen

Lars Holst

Pilunnguaq F. J. Kristiansen

Tulliaq Angutimmarik Olsen

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 2023 and previous years:

TDKK	2023	2022	2021	2020	2019
Fixed salary, including value of free car, etc.	3,085	2,943	2,917	2,855	2,783
Pension	681	657	495	483	471
Provision for conditional pension/severance scheme	313*	300*	284*	278*	271*
In total (TDKK)	4,080	3,900	3,696	3,616	3,525
Annual change in total remuneration (%)	4.62	5.52	2.21	2.52	1.93

\*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 is TDKK 313 for the year 2023, 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	2023
Fixed salary, including value of free car, etc.	75%
Pension	17%
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 was increased by 25,000 for 2023, 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 was increased by DKK 5,000 to DKK 30,000 in total, whereby the Chair of the committee receives double remuneration, and the Vice Chair receives one and half times the remuneration.

The remuneration for other committee posts was increased by DKK 2,000 and will in future amount to DKK 12,000 for 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	300,000	225,000	150,000
Audit Committee	60,000	45,000	30,000
Risk Committee	60,000	45,000	30,000
Nomination Committee	12,000	12,000	0
Remuneration Committee	12,000	12,000	12,000
Total 2023	444,000	339,000	222,000/210,000
Total 2022	370,000	282,500	185,000/175,000
Difference (DKK)	74,000	56,500	37,000/35,000

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

TDKK	2023	2022	2021	2020	2019
Gunnar í Liða	444	370	370	370	370
Kristian F. Lennert	339	282.5	282.5	257.5	257.5
Christina F. Bustrup	-	-	43.75 (resigned)	175	175
Lars Holst	210	175	175	175	175
Maliina B. Abelsen	210	175	175	175	175
Peter A. Wistoft	210	175	175	175	131.25 (appointed)
Ellen Dalsgaard Zdravkovic	210	175	131.25 (appointed)	-	-
Hans N. Boassen	-	-	-	-	43.25 (resigned)
Yvonne J.P. Kyed (resigned)	55	185	185	185	185
Elise Zeeb	-	-	-	-	43.25 (resigned)
Malene Christensen (resigned)	53	175	175	175	131.25 (appointed)
Peter F. Rex	219	175	175	175	131.25 (appointed)

Tulliaq Olsen (appointed)	122	-	-	-	-
Pilunnguaq Kristiansen (appointed)	158	-	-	-	-
Vitta Motzfeldt (appointed/resigned)	35	-	-	-	-
In total (TDKK)	2265	1,887.50	1,887.50	1,862.50	1,817.75

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:

	2023	2022	2021	2020	2019
Profit before tax	244.6	109.1	158.9	130.9	150.5
Difference (%)	124.2	-31.34	21.39	-14.97	6.78
Profit after tax	192.4	98.8	132.8	96.2	129.9
Difference (%)	94.74	-25.60	38.04	-35.03	13.09

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

	2023	2022**	2021	2020	2019
Average employee remuneration*	691,392	704,255	642,470	615,371	601,721
Difference	-2%	10%	4%	2%	4%
Average number of employees	143.5	137.4	137.3	133.3	128.4

\* Includes salaries and pension, as well as ATP, excluding the Board of Directors and the Executive Management's salary, pension and remuneration

\*\* Principle for calculation of holiday pay obligation changed with one-off effect.

### Compliance with the Remuneration Policy:

The remuneration of the Board of Directors and Executive Management for the 2023 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: 27 February 2024