

**To Nasdaq OMX Copenhagen**

**15 December 2021**

**Announcement no. 19/2021**

### **Changed capital objective**

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Until now, the BANK of Greenland has had the capital objective of a capital ratio of 8-10% points above the individual capital requirement, most recently calculated at 10.7% as at 30 September 2021. At the end of 2020, the Bank's capital ratio and core capital (CET1) amounted to 23.5%, which the Board of Directors assessed to be appropriate in view of the lack of clarification of the MREL requirement so far.

On the basis of the Danish FSA's decision of 4 October 2021 concerning impairment liabilities, the Bank's Board of Directors has reassessed the capital objective and the distribution on capital instruments. The Bank's minimum requirement for own funds and eligible liabilities (MREL) is twice the Bank's solvency requirement, including buffer requirement, of 15.2% (in total 30.4%), and will be phased in from 2022 to 2027. The MREL requirement in 2022 is thus 2.53%.

The Bank's Board of Directors has then reassessed the Bank's capital objective and set a target for CET1 capital of 24% of the risk-weighted assets. This is to ensure sufficient capital resilience. At the end of 2020, CET1 capital amounted to 23.5%. In addition to CET1 capital, the capital requirements, including the MREL capital requirement, will be fulfilled by using other capital instruments.

In the stock exchange announcement on 13 October, it was stated that the Bank has issued DKK 50 million Senior Non-Preferred, as part of the fulfilment of the Bank's MREL requirement.

Most recently on the publication of the accounts for the first nine months of the year, the Bank has announced expectations of a profit before tax of DKK 135-150 million for 2021, and this expectation is maintained.

Kind regards,  
BANK of Greenland

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