

Minutes of Annual General Meeting

To Nasdaq OMX Copenhagen
25 March 2020
Company notification no. 07/2020

Annual General Meeting of the BANK of Greenland

The BANK of Greenland today held its Annual General Meeting in accordance with the Articles of Association and the notice convening the meeting.

Due to the risks associated with the coronavirus (Covid-19) the bank had requested shareholders not to attend the Annual General Meeting in person, but instead to submit their power of attorney prior to the meeting. The meeting was attended by 0 shareholders. The bank's management was represented by the Chairman of the Board of Directors Gunnar í Liða (via video), Vice Chairman Kristian Frederik Lennert and Managing Director Martin Kviesgaard.

The number of votes represented at the Annual General Meeting was 915,401, of which 587,044 votes were given as power of attorney to the Board of Directors, while 328,357 votes were given as power of attorney with instruction.

1. The Chairman of the Board of Directors Gunnar í Liða presented the Board of Directors' report on the bank's activities during the past year. The report of the Board of Directors was noted. The Chairman's report and the protocol of the minutes of the Annual General Meeting are available on the bank's website: www.banken.gl

2. The Annual Report for 2019 was presented as originally recommended to the General Meeting for approval. Due to the amended proposal concerning dividend of DKK 0 per share, as a consequence of the Covid-19 situation, and as notified in stock exchange announcement no. 06 of 18 March 2020 the accounting figures are amended. The amended accounting figures can be seen in Appendix 1. The financial statements showing a profit of TDKK 129,918, equity of TDKK 1,077,676 and a balance sheet of TDKK 7,089,915, were approved as submitted at the meeting with consideration to Appendix 1. The Board of Directors and the Executive Board were discharged from their obligations. There were no changes to the remuneration of the Board of Directors, which was approved. The Board of Directors' proposal for the allocation of profit or cover of losses was approved, including the Board of Directors' recommendation not to pay dividend due to the extraordinary situation concerning Covid-19.

3. The proposal from the Board of Directors to authorise the bank to acquire own shares was approved.

4.1. Proposal from shareholder Kim Pedersen:

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.

Since the proposer could not attend the Annual General Meeting in person, due to the Covid-19 situation, the grounds for the proposal are attached as Appendix 2.

The remarks from the Board of Directors to the proposal submitted are attached as Appendix 3.

There were 60,216 votes for the proposal, and 855,185 votes against. Therefore the proposal was rejected.

4.2. Proposal from shareholder Kim Pedersen:

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.

Since the proposer could not attend the Annual General Meeting in person, due to the Covid-19 situation, the grounds for the proposal are attached as Appendix 4.

The remarks from the Board of Directors to the proposal submitted are attached as Appendix 5.

There were 60,216 votes for the proposal, and 855,185 votes against. Therefore the proposal was rejected.

5. Kristian Frederik Lennert, Maliina Bitsch Abelsen and Peter Angutinguaq Wistoft were re-elected to the Board of Directors for a two-year period.

The Board of Directors also comprises Gunnar í Liða, Christina Finderup Bustrup and Lars Holst, and the members elected by the employees: Yvonne Jane Poulsen Kyed, Malene Meilfart Christensen and Niels Peter Fleischer Rex.

At the subsequent meeting of the Board of Directors, the Board of Directors elected Gunnar í Liða as Chairman and Kristian Frederik Lennert as Vice Chairman.

6. Deloitte, Statsautoriseret Revisionspartnerselskab, was re-elected as auditor for 2020.

7. There were no items for consideration under any other business.

BANK of Greenland

Gunnar í Liða

Chairman of the Board of Directors

Appendix 1:

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
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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
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Total liabilities	7,089,915	7,089,915
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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

Appendix 2:

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.

Appendix 3:

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.

Appendix 4:

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.

Appendix 5:

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.