

Annual Report

2025

The Annual Report has been prepared in a Danish and an English version. In case of discrepancy between the Danish-Language original text and the English-Language translation the Danish text shall prevail.

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Management's Review

Annual Report in Headlines

Satisfactory performance

At the start of 2025 it was expected that Greenland's economy would slow down, and show close to zero growth during the year. Market interest rates also fell as expected in 2025.

What was not expected was the severe geopolitical unrest that affected Greenland as from January 2025 and for most of the year.

The BANK of Greenland achieved a profit before tax for 2025 of DKK 181.4 million, compared with DKK 245.7 million in 2024. The result is at the level of the revised guidance from January 2026 of a profit at the level of DKK 180-182 million, and is at the high end of the expectations at the start of the year of a profit of DKK 150-185 million.

In light of the aforementioned geopolitical uncertainty for large parts of 2025, it is assessed to be very satisfactory that the Bank's profit is nonetheless close to expectations at the start of the year, and above the level of the years before 2023 and 2024 (the high-interest-rate years).

Core earnings *(definition, see page 21)*

The Bank's core earnings fell from DKK 236.0 million in 2024 to DKK 177.9 million in 2025.

Lending increased in Q1-Q3 2025, but fell in Q4. Overall, lending declined by DKK 109 million in 2025, and now totals DKK 4,922 million. The decrease in lending is due to ordinary redemption of major construction financing projects.

In 2025, net interest income decreased by DKK 44.6 million, or 12%, to DKK 315.3 million. The decline among other things reflects that the first half of 2025 was affected by market interest rates falling by 1% point in total. Bond yields also decreased.

The volume of guarantees declined in 2025. At the end of 2025, guarantees amounted to DKK 1,276 million, compared with DKK 1,423 million in 2024. The primary reason is lower construction activity in Greenland and the completion of a number of large property transactions.

Deposits increased by more than DKK 700 million, or 10%, in 2025. The drop in interest rates in 2025 resulted in lower interest expenses in 2025.

Fee and commission income increased in 2025 compared with the previous year. The securities and pension areas primarily accounted for the increase.

As expected, costs also increased in 2025. Staff expenses increased and the total number of full-time employees increased by six, just as collective agreement-based increases pushed up

DKK million



expenses. Administration expenses are affected by such factors as an increase in costs related to BEC Financial Technologies.

Limited losses and write-downs

Write-downs and provisions were a modest DKK 15.5 million in 2025, compared with DKK 18.9 million in 2024. The overall level of write-downs is still low. The accumulated write-downs include significant managerial additions of DKK 41.1 million, including amounts for derived cyclical effects and ESG risks. The low level of write-downs underlines the significant economic robustness of the Bank's customers.

Significant capital gains

The Bank's liquidity is placed in the money market, in bonds and, to a certain extent, in sector equities. The interest rate trends reduced capital gains on the Bank's bonds from the previous year. The Bank's sector equities and currency area made positive contributions. In 2025, value adjustments resulted in total income of DKK 19.0 million, compared with income of DKK 28.6 million in 2024.

Growth in the Bank

The Bank saw sound growth in its business volume in 2025. While lending declined slightly, both deposits and the pension area are expanding. The total balance sheet is therefore at a record high, at DKK 10,974 million.

Balance sheet, capital and dividend

As an SIFI-designated banking institution since 2017, this 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 a need to have sufficient capital to take part in credit granting in Greenland.

In view of the ongoing phasing-in of the Bank's MREL capital requirement, in 2025 the Bank therefore continued to issue both Tier 2 and Tier 3 capital.

The capital base is still assessed to be robust. On this basis, dividend of DKK 80 per share, compared with DKK 100 for the previous year, is proposed. The Bank's solvency ratio is thereafter 27.8, compared with 26.9 in 2024. The solvency requirement is 10.9%.

The Bank's core capital accounts for 25.3% and despite the significant dividend rate this exceeds the Bank's long-term target of 24%. The Bank assesses that the geopolitical uncertainty and the Bank's expected performance in 2026 justify the higher capital ratio.

Outlook for 2026

It is expected that short-term yields will be close to unchanged in 2026, which will increase the Bank's customers' investment appetite.

The declining level of interest rates in 2025 will, however, have a negative impact on core earnings for 2026.

The Bank's total costs are expected to increase moderately in 2026. This applies to both staff expenses and administration expenses.

Uncertainty in the capital markets will affect the Bank's value adjustments. We nonetheless expect losses and write-downs to remain at a low level, and derived risks related to inflation and cyclical uncertainty in 2026 are assessed to be addressed by the current level of impairment write-downs.

The massive geopolitical pressure on Greenland, which escalated at the beginning of 2026, can affect the economic development and the framework conditions in Greenland in both the short and longer term.

However, the BANK of Greenland has no basis to assess that this will be of any material significance in the short term in 2026. The Bank therefore bases the assessment primarily on the national macroeconomic conditions.

The Bank expects a profit before tax of DKK 145-175 million for 2026. There is thus no change in the expected profit for the year, which is in line with the notification in the stock exchange announcement of 9 December 2025.

Nuuk, 26 February 2026

Martin Birkmose Kviesgaard, Managing Director





Greenland's Society and Economy

After several years with relatively solid key financial indicators, at the start of 2026 Greenland's economy faces significantly greater challenges. Economic growth has braked, and both the revenue basis and fiscal policy scope have weakened significantly. This marks a clear shift, emphasising the continued vulnerability of an economy that relies strongly on only a few industries.

The weak economic growth in 2025 should be viewed in the context of the conclusion of several large construction projects and continued rising price levels. There is also augmented pressure on public finances, including as a consequence of rising expenditure in the health and pensions area. The combination of lower revenue and higher expenditure has reduced the Treasury's liquidity and limited opportunities to handle unforeseen fluctuations.

This development can be seen in a period where the structural challenges in the economy are becoming more and more obvious. The demographic trend of more elderly people and a smaller population of working age exerts sustained pressure on public finances, while the labour market is affected by both capacity limitations and continued misalignment between the supply of and demand for qualified manpower.

On this basis, in 2025 Naalakkersuisut (the Greenland government) and the Danish government agreed on a new framework agreement for the 2026–2029 period. The framework agreement entails stronger cooperation that will help to promote Greenland's sustainable economic development and support residents' access to welfare benefits. The agreement also includes Danish investment totalling DKK 1.6 billion in infrastructure and healthcare cooperation. The framework agreement thereby contributes to supporting public budgets in the health sector and can also give a short-term boost to economic activity.

Despite the current economic slowdown, 2025 is assessed to constitute a low point for economic activity. The prospects for the coming years provide for moderate progress, although performance will greatly depend on whether the economic resilience can be strengthened. This assumes a more balanced business structure, and a long-term sustainable economic policy.

The annual report considers these factors as four overall topics. The first topic concerns the general course of the economy, while the second topic focuses on the business community's dynamics and growth potential. The third topic is an in-depth review of the structural challenges currently faced by Greenland. The fourth and final topic is based on the significant

geopolitical impacts on Greenland in 2025 and illustrates how concrete agreements and investments from international partners can affect the national economy, welfare and long-term economic resilience.

Overall economic development

Economic growth

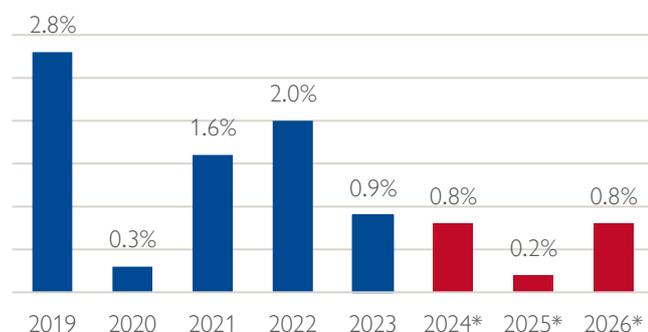
In recent years Greenland has experienced a period of low economic growth. Greenland's Economic Council expects that GDP increased by 0.5% in 2025 (see Figure 1), which is a significant downward adjustment from last year's expected growth of 1.1%. On the basis of improved fishing, particularly mackerel and cod, in the second half of 2025, the BANK of Greenland though assesses that the economy probably grew a little more than previously expected. This though reflects a clear slowdown in economic activity and marks a shift from the relatively high activity that characterised the preceding years. Economic growth of 0.8% is expected in 2026.

The lower growth is first and foremost related to the fisheries sector. Prawn catches in 2025 were significantly below the historical level. As prawns are Greenland's most important export, the downturn has had a direct negative impact on the export value, GDP and public revenue from this industry. This development also reflects the biological recommendations for prawn fishing, which over a few years have been adjusted downwards and still need to be lower to remain sustainable. Unless there is an equivalent increase in price levels for fish, fisheries must therefore be expected to contribute less to economic growth in the coming years.

Activity in the building and construction sector also declined, in step with the completion of several large construction projects. This includes construction of Nuuk's new airport, commissioned in 2024. While the construction sector has made a significant contribution to economic growth for a number of years, the sector's contribution is expected to diminish a little in the coming years. Moreover, sustained price increases have eroded households' purchasing power and dampened private consumption. This price development also exerts pressure on public finances, which also have to be spread more thinly.

Figure 1
Economic development

Real GDP growth



Note: 2019-2020 are final figures, while 2021-2023 are provisional figures. 2024-2026* are preliminary forecasts. The figure shows real GDP growth in 2010 prices, chained values.

Sources: Statistics Greenland and Greenland's Economic Council.

Public finances are also under pressure due to the significant reduction of dividends from the government-owned limited liability companies. While earlier expectations indicated dividends totalling around DKK 780 million in the 2026-2029 period, this is now reduced to around DKK 320 million, which undermines public finances.

The weak economic performance has had clear fiscal-policy consequences. The 2026 Finance Act therefore includes significant expenditure reductions across the public sector, in order to restore the balance between revenue and expenditure and counter rising structural spending pressure. This specifically concerns general savings on non-statutory operational and grant appropriations (except health, housing and infrastructure).

The measures are assessed to be necessary, to ensure the sustainability of public finances. It is inadvisable, on the other hand, to reduce public finances in a period of low economic growth, as this can further dampen activity. The situation emphasises

the need for an economy that is more robust in the face of cyclical fluctuations.

The framework agreement between the government of Denmark and Naalakkersuisut (the government of Greenland) on a self-sufficient Greenland and financing of DKK 1.6 billion in 2026-2029 was therefore extremely welcome, as it gives an opportunity to support welfare benefits and contribute to capital investments without increasing borrowing. In specific terms, Denmark will contribute full financing of the construction of a new regional runway in Ittoqqortoormiit in East Greenland, and a deep-water port in Qaqortoq, to strengthen fisheries, transport and tourism, and deliver new investment in southern Greenland. Denmark will also increase its support of the Greenland Health Service for the treatment of Greenlandic patients at Danish hospitals, just as other opportunities for support and cooperation in the healthcare area are being investigated.

The Finance Act still includes significant expenditure for treatment of patients abroad. If the Danish government covers some of this expenditure, the OI balance must be expected to improve.

2025 is therefore also assessed to be a temporary low point for economic growth, and a moderate improvement is expected in 2026. Inflation is expected to diminish from 2025, and together with expected pay increases this could strengthen real wages and stimulate private consumption. This will also be supported by new building and construction activity, including enlargement of the port in Nuuk and expansion of the Buksefjord hydroelectric power plant, as well as expected investments in the tourism sector. Without these capital investments the expected economic growth would be lower.

Despite the recently concluded framework agreement, the economy continues to face substantial structural challenges. The demographic trend of more elderly people and a smaller

Table 1
The Greenland government's OI balance

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2021-2024	2026-2029
Budgeted OI balance, Finance Bill, 2026						-21.8	-62.2	+4.4	+89.6		+10
Budgeted OI balance, Finance Act	-76.2	+7.6	+6.1	+284.4	-130.1	-50.5	-4.6	+19.7	+95.6		+60.2
Actual OI result	-150.0	+113.2	+424.0	-257.1						+130.1	
Difference	-184.4	-73.8	+105.4	+417.9							

Note: All prices are stated in DKK million. A minus indicates a deficit. 2021-2024 are realised figures, while 2025-2026 are the figures adopted for the year. 2027-2029 are budget estimates.

Sources: Finance Acts for 2021, 2022, 2023, 2024, 2025 and 2026.

population of working age will augment the pressure on public finances and on key welfare areas. Without reforms, expenditure will continue to outpace revenue, which undermines economic robustness and limits opportunities for economic policy measures. This has been a known problem for many years, and in recent years was one of the key focal points of successive Finance Acts. The need for resolute action is now a real imperative – including in the short term. It is therefore positive that reform of the public sector is a key element of the Finance Act, including plans to appoint an independent reform commission, and for cooperation with experts and the establishment of a permanent reform body. This includes the expert group appointed to present proposals for an overall pension reform.

There are also limited opportunities to increase public revenue by increasing employment. Unemployment is still very low for those with vocational and higher educational qualifications, and large elements of the employment growth have been driven by foreign manpower. The labour market is thereby subject to significant pressure on its capacity. Employment has, however, increased for people with only lower secondary qualifications, among other things due to the introduction of the job seeker's allowance, which has increased the financial incentive to register as looking for work. In the short term, this can entail bottlenecks in some parts of the economy, while in the longer term it emphasises the need for more people to gain educational qualifications and to increase the labour supply, to ensure a more sustainable basis for growth.

Public revenue can also be increased by foreign investment, such as in mining operations. Investments of this type often encounter resistance, such as concern as to whether the profits will fall to Greenland to a sufficient extent. As described by Greenland's Economic Council in its interim report, appropriate regulation of the projects can be of significant benefit to society. Besides employment and activity in local secondary industries, a direct economic return in the form of the resource rent can be achieved, without the public sector taking on a substantial investment risk. It is positive that the Sustainability and Growth Plan makes foreign capital a condition for a broader business structure, and, not least, that there will be a focus on creating the right framework conditions, for the benefit of both investors and the Greenlandic society. These framework conditions can contribute to reducing the risk for investors, if Greenland is seen as transparent and reliable, and can also increase support from the population in general.

Debt accumulation

As a consequence of the declining public revenue and increasing spending pressure, particularly in the healthcare area, the OI balance has worsened considerably since the last Finance Act

(see Table 1). The 2026 Finance Act budgets for an overall four-year surplus of DKK 60.2 million, which can only be achieved based on the expectation of a substantial surplus in 2029. Just one year ago, the expected four-year surplus was almost DKK 600 million from 2025 to 2028.

One consequence is that during 2025 the Treasury's liquidity was weakened significantly. At the end of 2024, liquidity was almost DKK 700 million, while in the 2026 Finance Act it is reduced to around DKK 350 million. This corresponds to a reserve of around 4% of the Greenland government's operating expenditure.

The high utilisation of the Budget Act's four-year framework, combined with a low liquidity reserve, significantly curtails the Greenland government's opportunities to manage future cyclical fluctuations. Greenland's economy is still strongly dependent on fisheries, and fluctuations in catch volumes and prices quickly affect growth, revenue and liquidity. This makes the economy particularly vulnerable to negative shocks and amplifies the need for a broader business structure.

This development is in strong contrast to the preceding years, when public finances were characterised by extraordinarily high revenue and lower expenditure than expected. During this period, no fiscal-policy buffer was built up, however. Instead, the expenditure level was raised, which means that savings now have to be made during a period with low economic growth. Viewed from a fiscal-policy perspective this is inexpedient, since it means that fiscal policy cannot be used as an instrument to counter cyclical fluctuations, thereby emphasising the need for more cyclically robust economic policy measures.

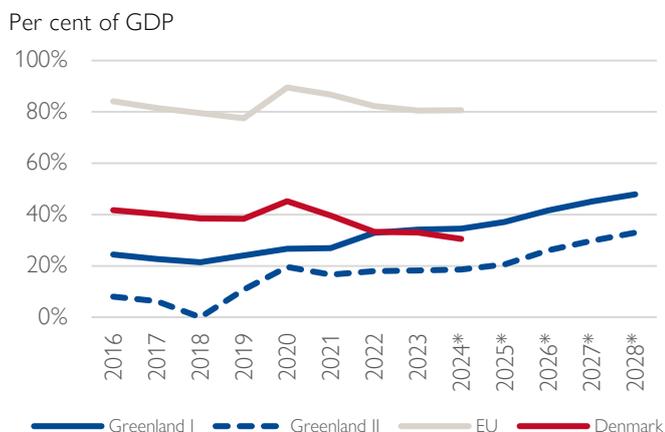
In overall terms, the Greenland government, the municipalities and the government-owned limited liability companies had gross interest-bearing debt of around DKK 8.6 billion in 2025, equivalent to around 37% of GDP. This is almost DKK 1 billion higher than two years ago, and the debt is expected to increase by a further DKK 2.5 billion up to 2028, of which by far the largest share is tied to the government-owned limited liability companies. This will entail that, by then, the gross debt will amount to around 50% of GDP.

There is furthermore still a considerable maintenance deficit for ports, energy facilities and rental accommodation, which should be regarded as implicit debt. This liability is not included in the official debt figures, but eliminating this debt will require either increased borrowing or higher prices for consumers. The latter can lead to inflationary pressure and mask the real debt accumulation and the overall economic impact.

Even though the level of debt is still below the EU average, it now exceeds the Danish level, and the expected course up to 2028 brings Greenland significantly closer to the European debt levels (see Figure 2). This emphasises the need for a responsible debt policy whereby new borrowing is limited to economically profitable investments. Greater indebtedness entails reduced fiscal-policy scope and increases vulnerability to changing interest rates and revenue fluctuations.

This makes it positive to note that the Finance Act proposes strengthening the Treasury's liquidity and tightening budgetary discipline, so that greater reserves can be built up in economically propitious years. This development also shows that the existing budget and accounting legislation has not been sufficient to ensure systematic accumulation of liquidity. This points to a need to consider additional mechanisms to strengthen financial resilience and reduce the economy's vulnerability to future cyclical fluctuations.

Figure 1
Public interest-bearing debt in Greenland, Denmark and the EU in 2024



Note: Greenland I measures the interest-bearing debt as a ratio of GDP. Greenland II measures the net interest-bearing debt as a ratio of GDP. Both Greenland I and II include the Greenland government, municipalities and government-owned limited liability companies. EU and Denmark denote the gross debt. *Indicates projected values for Greenland I and II.

Sources: Finance Bills for 2019, 2020, 2022, 2023, 2024, 2025 and 2026, Statistics Greenland and Eurostat.

Price trends

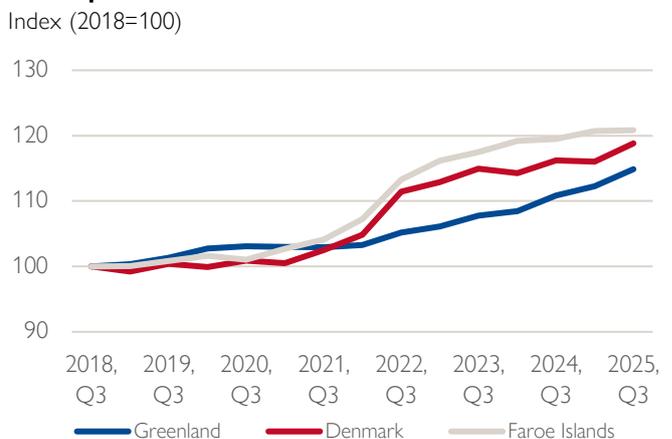
After several years with relatively moderate price increases inflation increased, and consumer prices rose by 3.4% in 2025 (see Figure 3). This among other things reflects the effect of the international price increases in 2022 and 2023, which had a delayed and partly limited impact in Greenland, through imports, as well as higher domestic costs.

The price pressure was particularly apparent for food products and housing-related expenses. Price increases have a negative impact on purchasing power, unless they are offset by equivalent pay increases. A net decline in real wages can thereby contribute to dampening growth, since it undermines private consumption.

According to the most recent forecasts from Greenland's Economic Council, inflation is expected to decline in the coming years and to stabilise at around 2%. This will bring price development closer to a historically normal level and reduce the pressure on households' finances. Provided that pay increases in the same period exceed inflation, real wages will once again be able to contribute positively to private consumption.

Prospective price trends are, however, still subject to considerable uncertainty. The development in energy and transport costs, price adjustments in government-owned companies and any new international price shocks can affect inflation going forward. As a significant element of price formation in Greenland is affected by administrative and political decisions, rather than solely by market conditions, the price and tariff policy plays a key role in the overall course of inflation, and thereby economic stability.

Figure 2
Development in inflation



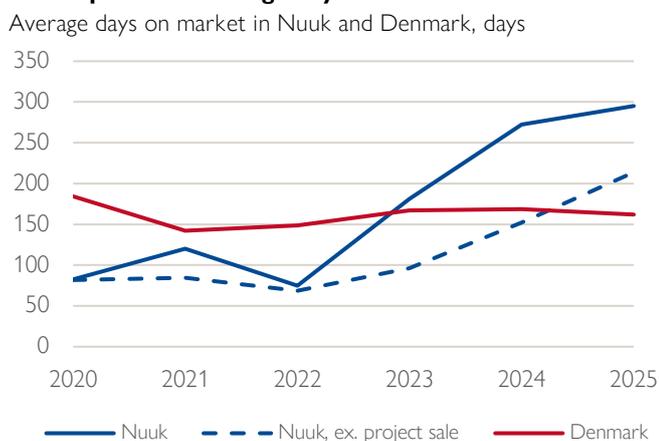
Note: Development in the consumer price index from 2018 to 2025, with 2018 as index 100. The figure is calculated at six-monthly intervals. Q3 is the third quarter.

Sources: Statistics Greenland, Statistics Denmark and Statistics Faroe Islands.

Housing market

During the period with higher mortgage interest rates in 2022-2024 the housing market in Nuuk entered a more subdued phase after a prolonged period of high activity and rising prices. As Figure 4 shows, the average days on market for homes in Nuuk has increased considerably since 2022. While average days on market was around 75 days in 2022, in 2025 this rose to around 300 days. Adjusted for newly-built properties, days on market is closer to the Danish level, but still considerably higher than before.

Figure 3
Development in average days on market



Note: Days on market denotes the average number of days a detached or terraced house, or owner-occupied flat, has been offered for sale before it is removed from the market. For Greenland, only sold homes are included, while the Danish figures also include homes that are not sold. Days on market is calculated on the basis of the date of sale/delisting. Due to data availability 2025 includes the first three quarters.

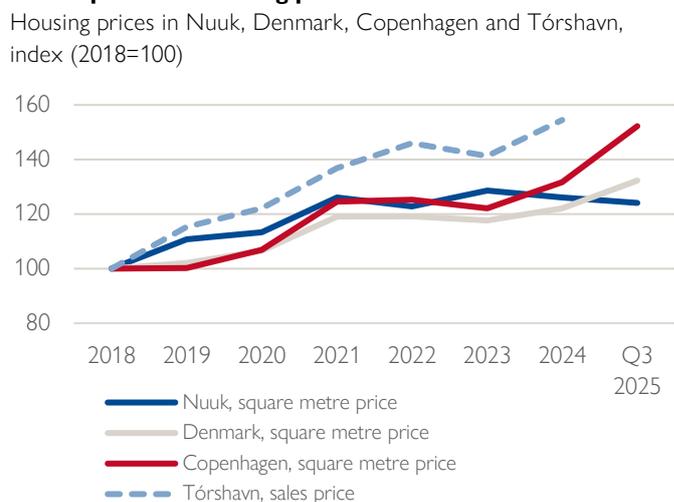
Sources: The BANK of Greenland and Finance Denmark.

Price trends are affected by both interest rates and the supply of homes, where many newly-built flats in particular have affected supply in recent years. After several years of significant price increases, since 2021 housing prices in Nuuk have shown more subdued development, and have been almost unchanged in nominal terms (see Figure 5). Throughout the period, the average price per square metre was around DKK 31,000. Taking general price trends in society into account, this implies a significant real decline in housing prices. In real terms, the price level in 2025 is at around the same level as the period prior to the Covid-19 epidemic. The real price decline makes it likely that there will be more buyers in the market in the near future.

This development diverges from comparable markets. In Denmark, Copenhagen and Tórshavn housing prices continued to rise in 2024 and 2025. The Nuuk housing market was thereby dampened, with lower price dynamics and longer lead times than in the years up to 2022.

There are several circumstances to explain this development. First of all, an increased supply of newly-built homes in Nuuk may have contributed to dampening the pressure on prices. The BANK of Greenland assesses a decisive factor to be the increase in mortgage interest rates that affected 2022 and remained at a higher level in the following years. This is also reflected in how the number of transactions has not declined significantly, but the average size of the homes sold is slightly lower than previously.

Figure 4
Development in housing prices



Note: 2018=100. Price trends in Nuuk (Greenland), Denmark and Copenhagen are compiled in DKK per square metre for detached and terrace houses, as well as owner-occupied flats, while for Tórshavn (the Faroe Islands) price trends are compiled on the basis of sales prices. The prices are not adjusted by the consumer price index and therefore reflect the nominal development in housing prices. Data for the Faroe Islands is only until 2024, due to missing data. Data for Nuuk and Denmark in 2025 includes the first three quarters.

Sources: BANK of Greenland, Finance Denmark and Statistics Faroe Islands.

Several large housing projects have now been completed, however, and supply has diminished. This will probably contribute to reducing days on market, and support housing prices. The prospects for the housing market in the coming years are not determined by supply alone, however. The housing market is just as dependent on demand, which is directly related to the course of the economy. Sustained low growth and limited income growth can affect the market. On the other hand, an abrupt real wage increase, drop in interest rates or renewed economic activity can contribute to increasing demand.

Business conditions

Greenland's business structure continues to feature a high degree of concentration, with fisheries as the economic foundation for employment, exports and activity in large parts of the country. The dependence on fisheries exposes the economy to fluctuating biological conditions, market conditions and

regulatory changes, which in turn have a direct impact on local communities, the labour market and public finances. 2025 indicates changing business conditions, however. New opportunities within primarily tourism have become more specific, but achieving them increasingly depends on framework conditions, capacity and interaction with other economic structures. Limitations to the supply of manpower, as well as infrastructure and educational levels, set a clear framework for how quickly and to what extent new business opportunities can emerge. Business development therefore not only concerns creating new income sources, but also strengthening the resilience of the existing business structure and ensuring that new initiatives contribute to lasting economic value. The following sections review the development in fisheries, tourism, and the minerals and mining industry, as well as other business opportunities and potentials, with focus on both current trends and long-term perspectives.

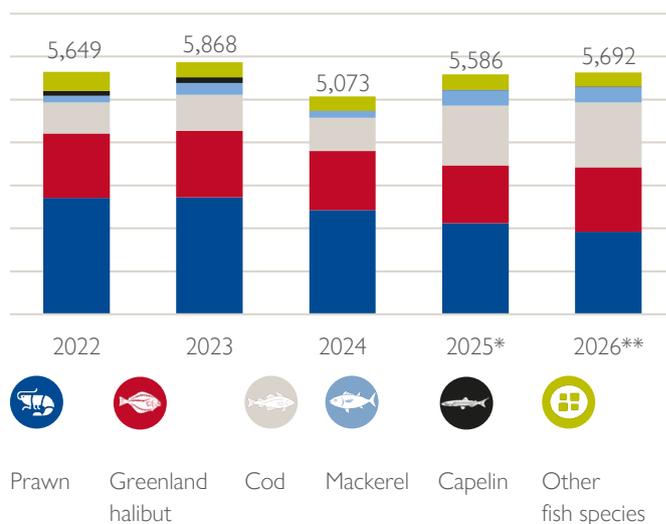
Fisheries

The new Fisheries Act has now been in force for a year and represents a key shift in the governance of the industry. The Act is to support value creation, modernisation and workplaces in small communities and ensure sustainable and effective utilisation of fish stocks. A key element of the reform is the introduction of individual transferable quotas (ITQs) for small fishing boat owners who fish for Greenland halibut. ITQs give fishers a personal annual catch entitlement that they can plan by or transfer to other parties. Experience from implementation in Greenland and from international ITQ systems shows that the scheme typically gives small fishing boat owners greater freedom to plan their fishing according to weather and working conditions. The ITQ system contrasts with the previous "Olympian" system whereby fishing was open until the total volume had been caught. This "Olympic race model" has historically led to surplus capacity, pressure to fish in poor weather conditions, and unstable catch landings for fish processing plants. The fundamental idea behind ITQs has generally been broadly supported by the industry. Several parties also point to the risk of the incentives being undermined if elements of the Olympian system are retained in parallel with ITQs. In areas where both systems apply side by side, unfair terms of competition are seen, because some fishers invest in quotas, while others still fish according to the Olympian model. Implementation in the first year was affected by administrative adjustments and uncertainty about the quota distribution, which may lead to the deferral of major investment decisions until the framework has become more consolidated. Throughout the Fisheries Act process the BANK of Greenland has taken a positive view of the Act, and particularly the introduction of ITQs is important for the industry's development. Consistent implementation of the rules will thereby also make it possible to make new and larger

investments in the industry, in order to increase efficiency and revenue.

The prawn sector, historically Greenland's largest single export product, continued to be challenged in 2025 (see Figure 6). For several years the biological advice has indicated lower quotas, and there is a general awareness of both fewer prawns and a lower average catch size. This has direct consequences for catch values, as smaller prawns entail lower settlement prices. Moreover, a combination of temperature changes, feed availability and prevalence of cod in several areas is assessed to have affected prawn stocks negatively. The industry experiences periods when prawn are almost completely absent, which challenges both catch economies and the capacity of onshore facilities.

Figure 5
Value of exports of fish and shellfish
DKK million



Note: 2025* are estimates whereby mackerel, capelin and other fish species are projected based on data for the first three quarters of 2025, and the remainder for the first 11 months based on data availability. The projections are calculated on the basis of seasonal trends from the previous years' catches at fish species level. 2026** are projections whereby prices are on average assumed to be equivalent to 2025, while volumes are assumed to change equivalent to quota changes. The prices are not adjusted in relation to the consumer price index and are therefore nominal/current prices.

Sources: Statistics Greenland, Naalakkersuisut (the government of Greenland) and own estimates.

The industry points to how a sustained decline in prawn stocks will have direct economic consequences. The reduction of the prawn quota in 2026 is therefore a key risk factor that can affect overall export revenue and regional activity in the coming years. The biological changes are experienced as being generally more rapid and less predictable than before. This makes it more difficult for both fleets and industry facilities to plan, invest and utilise capacity effectively.

Several fishers report increased cod stocks in coastal areas, and cod fishing in 2025 was supported by favourable world market prices. Despite the short-term improvement, the stock is still assessed to be vulnerable, and historical fluctuations make it difficult to base more long-term investments on current levels.

The offshore Greenland halibut stock is still assessed to be stable, and its fishing to represent significant value. In 2025, around the same Greenland halibut catch volume as in the preceding year is expected. The catch was affected negatively by delayed quota tenders, which reduced opportunities for optimum utilisation. For several vessels the delay meant that some of the season's most favourable weather and catch periods could not be fully utilised. The challenge is thus primarily of an administrative, rather than biological nature, but is still of significance for the industry's effectiveness and overall results. It is therefore difficult to comprehend and worthy of criticism that quota tender delays can occur to an extent that is directly reflected in the overall economy.

Overall, the expected figures for 2025 therefore point to an export value below the level in the 2023 record year, see Figure 6, but increasing as from 2024. Prawn are weaker in terms of both volumes and value, counterbalanced to a degree by cod and mackerel in particular. The species composition is thereby changing, and this development is far less predictable than before; and mackerel fishing, for example, is highly volatile. This makes higher demands of regulatory robustness, catch strategies and capacity adjustment in the industry.

It is important to note that the export value of fish and shellfish does not exclusively reflect volumes, but also prices in the world market. Even in periods with lower catch volumes the export value can remain high, or increase, if prices for the most important species are favourable. This was apparent in 2025, when certain species, such as cod and mackerel, were subject to both price increases and high demand in the export markets, and contributed to the stable high value of total exports.

This development underscores Greenland's structural dependence on fisheries. When volumes of one dominant species such as prawn diminish significantly, this not only affects the export value, but also employment and activity in coastal communities. Despite efforts to achieve commercial diversification, fisheries are still the key foundation for the economy, and fluctuations in both stocks and world market prices can have major consequences.

Moreover, climate change creates a persistent element of uncertainty. Large volumes of fresh water from melting glaciers, rising sea temperatures and changed flows and currents affect

the marine environment and can change both the distribution of and growth conditions for the key fish species. The development for prawn and cod in recent years illustrates how quickly changes can affect stocks. There is a sustained lack of research-based knowledge to support more precise predictions, and this uncertainty makes it difficult for both the industry and the authorities to plan for the long term and invest on a reliable basis. 2025 therefore paints a picture of a changing industry. The Fisheries Act has set a new direction, but has not yet been fully implemented, and changes in stocks create new economic risks. The sector therefore faces a growing need for robustness, flexibility and long-term planning, if fisheries are to continue to maintain their central role in Greenland's economy.

Tourism and aviation

Tourism developed strongly in 2025 and particularly the new Nuuk airport presents new opportunities for travel to Greenland. Many of the current urgent demands, such as larger capacity, broader business support and improved infrastructure, do not come as a surprise. They have been forewarned for several years. 2025 has made it plain, however, that there is a real demand, and that Greenland has a strong tourism momentum that can only be retained if the sector is able to absorb this growth.

The provisional figures for 2025 show a strong increase in the number of foreign-visitor overnight hotel stays, particularly in the summer months from June to August. As Figure 7 shows, the level clearly exceeds the preceding years and reflects clear demand for Greenland as a high-season travel destination. But it is already clear that the summer traffic in 2025 was extraordinarily strong, which exerted pressure on capacity across several parameters. The same pattern applies to cruise tourism, with almost a doubling of the number of cruise passengers from 2022 to 2024. This upward trend appeared set to continue in 2025.

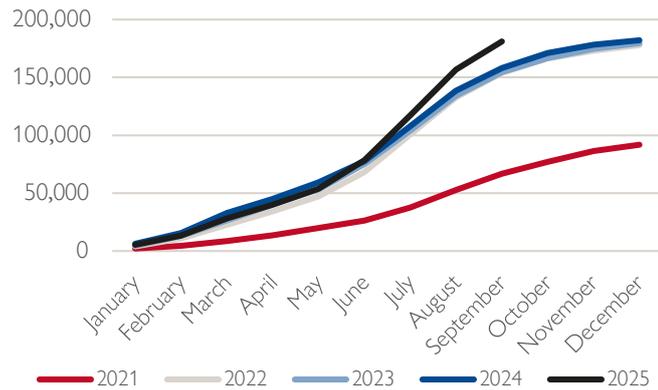
It is also vital to emphasise that Figure 7 only includes commercial overnight hotel stays. Short-term rental activity, including Airbnb, is not covered by the statistics, but there are indications that this market has also grown significantly.

In some periods, Nuuk and Ilulissat in particular were close to or at full capacity during the high season. Both local players and public authorities indicate that in some summer periods there was a lack of vacant rooms, an insufficient range of attractions, and staff shortages. This means that the demand cannot be fully met, and that some of the economic potential is lost, due to structural limitations, rather than a lack of interest. This is not unexpected, however, and it must also be regarded as

expected that the expansion of offtake capacity will take place over a number of years.

Figure 6
Development in foreign-visitor overnight hotel stays

Number of foreign-visitor overnight hotel stays, accumulated annually



Note: The figure shows the number of foreign-visitor overnight hotel stays from 2021 to 2025. Foreign refers to all countries that are not Greenland, i.e. including Denmark. The number of overnight hotel stays is accumulated for each year. This means that the last month represents the total annual number. For 2025, the first nine months are included, due to data availability.

Sources: Statistics Greenland.

The opening of Nuuk International Airport has thereby changed travel patterns significantly. New direct routes from the North Atlantic neighbouring market have made it easier to fly directly to Greenland. This has increased overall accessibility, but also changed the distribution of passengers across the country. Figure 8 clearly shows significant growth in the number of airline passengers, where the number in September 2025 already exceeded the full-year 2024 level.

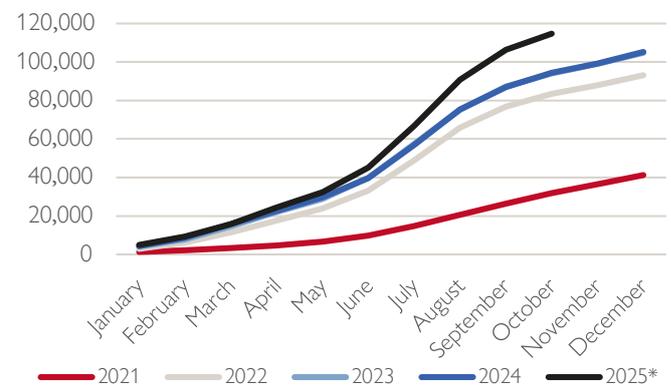
The first year for Nuuk International Airport was turbulent, presenting numerous challenges that affected the travel experience and entailed high costs for the parties involved. These start-up challenges are not surprising, although, seen from outside, their extent seems to be considerable. This makes it vital that the handling of the airport in Nuuk and the new airports becomes more professional and effective in the coming years.

A large proportion of passengers who previously flew via Kangerlussuaq and then onwards on domestic flights now fly directly to Nuuk. This reduces the passenger base for several domestic routes that were already cost-intensive to maintain. This trend affects Air Greenland's business model, which for many years has been based on a balance whereby revenue from international flights supports the operation of domestic routes. Air Greenland has a key role as one of Greenland's most important government-owned limited liability companies and changes in this company's finances could be of great economic

significance. This applies in relation to price adjustments for domestic and low-season flights, and any adjustments to routes and frequency. From an economic perspective, accessibility and cohesion across Greenland are key for the population, business and industry, and regional development. This makes it important to monitor how the new competition parameters and the new travel patterns affect the overall aviation structure.

Figure 7
Development in the number of airline passengers

Number of airline passengers, accumulated annually



Note: The Figure shows the number of departing airline passengers from 2021 to 2025. The number of departing airline passengers is accumulated for each year. This means that the last month represents the total annual number. For 2025, the first ten months are included, due to data availability. The levels in 2023 and 2024 are almost identical, so that 2023 does not differ from 2024 in the graph.

Sources: Statistics Greenland.

2025 shows that Greenland's tourism is undergoing a structural shift. Demand is strong, accessibility has been improved, and at some locations high-summer capacity is pushed to the limit. This increases the need for a more coordinated, long-term management of the sector. Naalakkersuisut still has an ambition for tourism to account for up to 40% of Greenland's exports in 2035, and for a doubling of tourist numbers. This strategic direction makes securing a framework that both supports growth and protects Greenland's nature and local communities necessary. The Tourism Act that entered into force in 2025 introduces a licence system, a requirement for primarily Greenlandic ownership, and the opportunity for more systematic coordination of tourism activities, including the use of zone agreements and regulated access areas. The purpose is to achieve a better overview and management of a sector in which activity is growing rapidly and is unevenly distributed across Greenland. The Act thereby addresses several real needs, but has also been criticised, in particular regarding the risk of impeding investment and creating uncertainty regarding the framework conditions. One key issue to be aware of is predictability. For some areas of the sector, including expedition cruises, for which routes, port calls and logistics are planned several years in advance, stable and clearly communicated rules are vitally important.

Changes to zone allocation, access restrictions or local guidelines at short notice can impede planning and lead to cancellations or cost-intensive adjustments.

The Tourism Act's potential is therefore not only related to actual regulation, but lies in its implementation and ability to create a transparent, modern and predictable framework. The Act's requirements concerning ownership and organisation also entail balancing the need for local anchoring with the requirement for access to external capital and competences. If this balance is achieved successfully, the Act can be a key tool in supporting the required growth in tourism, without compromising nature, culture and local anchoring.

The BANK of Greenland considers it positive that a framework has been established that is adapted to local communities, nature and security. Restrictions to ownership and thereby opportunities for foreign investment are, however, a factor that can curtail tourism's development. This regulatory instrument is known from other countries with a wish to promote local ownership. This well-founded aim can also be a factor that restricts local investment. On the other hand, it is possible to ease the requirements if the negative effect is greater than expected.

Going forward, the need for coordination and capacity building will be even more clearly apparent when the airports for Ilulissat and Qaqortoq open. They are both expected to further increase accessibility and attract more travellers. Without equivalent development of overnight accommodation capacity, the range of attractions, manpower and clear planning frameworks, some of this potential will not be utilised. The tourism sector therefore stands at a crucial turning point where timely expansion and predictable framework conditions will be key to realising Greenland's long-term ambitions.

The mineral and mining industry and other commercial opportunities

The mineral and mining industry continues to be a key factor in the discussion of Greenland's future commercial development. In 2025 there was considerable interest from the surrounding world, driven by geopolitics and the global demand for critical minerals. Greenland is increasingly viewed as a potential supplier of these minerals, and exploration activity is still at a relatively high level. Nonetheless, no major new projects have so far been achieved, which emphasises the sector's well-known challenges, including high establishment costs, logistical barriers and global competition that requires strong and stable framework conditions. Investors emphasise the need for solid, available data on deposits, volume and extraction conditions, but, just as important, political stability. Mineral projects in the Arctic have long time horizons, and are particularly sensitive to

changes in legislation, prioritisations and regulatory practice. Geological potential and predictable framework conditions are therefore the factors emphasised as decisive for projects to progress from interest to realisation. This is well-known and has previously been described in the BANK of Greenland's annual reports.

The new Minerals Act that came into force in 2025 is a key element of this picture. The Act modernises the licence structure and strengthens the weighting of sustainability and transparency. The intention is broadly recognised, but its reception has also been marked by concern. Several business parties and legal experts point to the risk of greater complexity, longer case processing times, and uncertainty concerning how rules and orders will be administered in concrete terms. For the industry, the message is clear. The effect of the Act depends not only on its wording, but also its implementation, and in particular on whether in practice it offers enterprises the conditions necessary to attract long-term investments.

For all the different parties, one thing is clear. There are ample development opportunities, but they require early and continuous dialogue between the industry and the political level. This dialogue is vital for creating realistic expectations and supporting the necessary risk sharing. Major mineral projects require massive capital reserves, a long time horizon and significant infrastructure, and they can only be realised with stable, clear and consistent framework conditions.

Parallel with the minerals sector there is interest in Greenland's renewable energy resources. Hydropower has strategic commercial potential, and the Maniitsoq area is assessed as one of the more promising locations for major commercial energy projects. In 2025, Naalakkersuisut held a *Request for Information (RFI) / Call for Participation* as part of the market dialogue on this major hydropower potential. The purpose was to identify potential recipients, including data centres, energy-intensive production, PtX technologies and mining, and also gain an insight into which types of projects can create greatest long-term value for Greenland. The process can be viewed as a positive example of systematic commercial involvement. This strengthens the basis for decisions that are both strategic and economically sustainable. However, this process comes after the non-achievement of previously expected tenders and thus still leaves some uncertainty as to whether a real tender with a predictable timeline can be expected.

Structural challenges

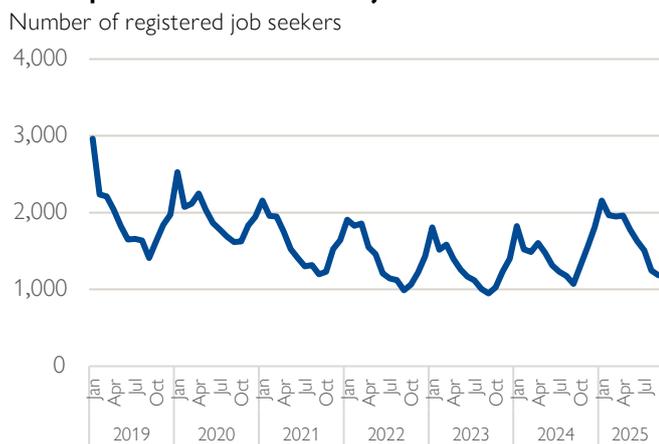
For a number of years Greenland has faced various structural challenges that in 2025 increasingly set the concrete framework for the development of society and the economy. Limitations

to the labour supply, too many people without educational qualifications, demographic changes and pressure on key welfare functions affect both growth opportunities and economic resilience. This development emphasises that the structural conditions can no longer solely be regarded as long-term risks, but as key factors that require urgent action to ensure the functioning of the labour market and society's sustainability.

Labour market

The labour market is still characterised by a limited labour supply and significant differences across geography and industries. In 2025, the number of registered job seekers was on average slightly higher than in the preceding years, see Figure 9.

Figure 9
Development in the number of job seekers



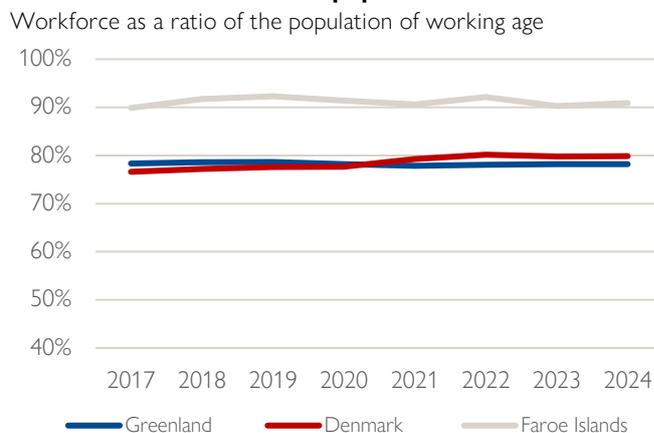
Note: Monthly figures for the number of registered job seekers. The number is calculated on the basis of the entire population.

Source: Statistics Greenland.

The development is affected by seasonal fluctuations and overall indicates a labour market in which there is still relatively limited unemployment. At the same time, the moderate increase in 2025 should be interpreted with caution, as changes in the unemployment benefit rules and the introduction of new allowances for job seekers may have entailed that people who were not previously part of the labour force are now increasingly registered as job seekers.

On the other hand, the labour force as a ratio of the population has been relatively stable in recent years and is still at a rather lower level than in the Faroe Islands, but close to the level in Denmark, see Figure 10. This emphasises a persistent structural labour supply challenge, which limits the labour market's overall capacity in terms of qualified manpower, and thereby economic growth potential.

Figure 10
Workforce as a ratio of the population



Note: The figure shows the workforce (unemployed and employed in total) as a ratio of the population in Greenland, Denmark and the Faroe Islands, respectively. Due to data limitations, the ratios are compiled for marginally different population groups for the three countries (populations: 16-64 year-olds in Denmark, 15-64 year-olds in the Faroe Islands and 18-retirement age in Greenland). Reservation is therefore made for comparability.

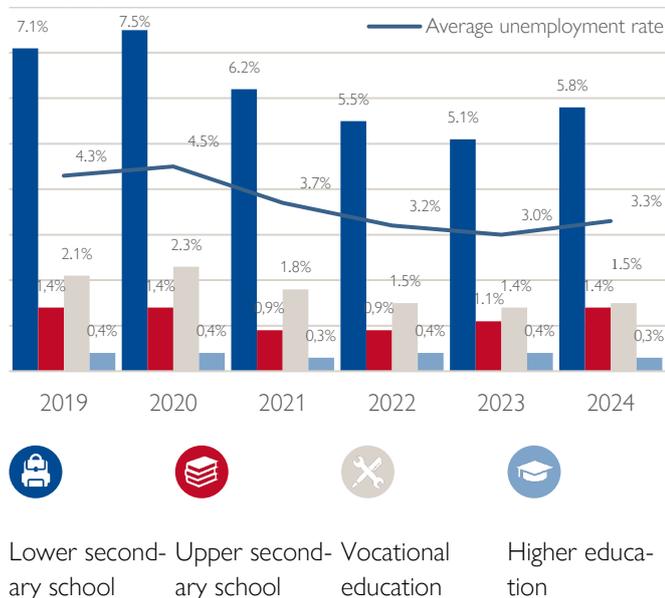
Sources: Statistics Denmark, Statistics Greenland and Statistics Faroe Islands.

The shortfall in the labour market also affects the development in growth industries. The tourism sector continues to experience a shortage of manpower, which can curtail opportunities to expand activities on a local basis. The use of foreign manpower has therefore become a more integrated aspect of the labour market, particularly in the hotel and restaurant sector. This can help to alleviate capacity problems and support productivity, but also points to a structural dependence that can put the labour market in a vulnerable position.

If we consider unemployment in relation to level of education, it becomes clearly apparent that the labour market's challenges are not evenly distributed. Unemployment is highest for those with only lower secondary qualifications, while people with vocational or higher educational qualifications are in employment to a far greater degree, see Figure 11.

Figure 8
Unemployment by level of education

Unemployment rate calculated for each of the four education levels



Note: The columns show the level of unemployment for each of the four levels of education in Greenland from 2019 to 2024.
Sources: Statistics Greenland.

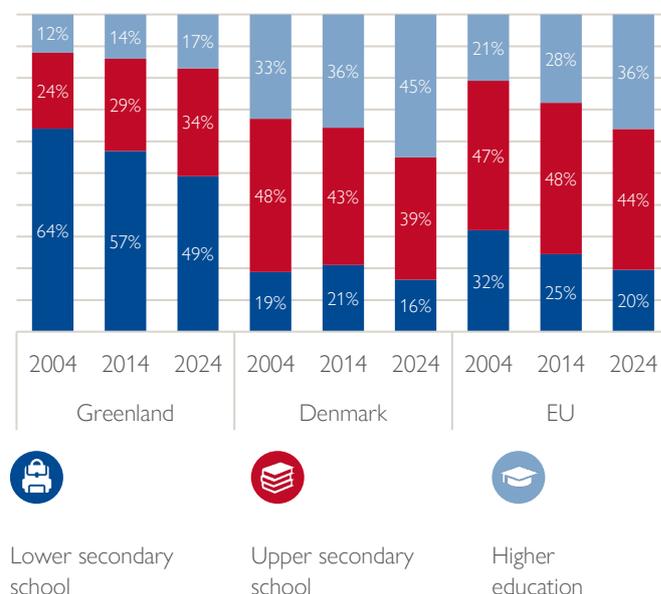
This means that the challenge not only concerns the number of jobs, but also the match between labour market requirements and the population's skills and qualifications. The low level of unemployment for those with higher educational qualifications, combined with employers' constant demand for these qualifications, indicates how Greenland is experiencing an "outsourcing" of high-value jobs abroad. This is apparent from the use of employees resident outside Greenland, use of consultants and the use of outsourcing to foreign companies when highly educated employees are required. This challenge weakens Greenland's economy, businesses and institutions.

Education

Education is the absolute foundation for Greenland's robust long-term development. The education system is vital for a well-functioning labour market, for increasing productivity, and for opportunities to realise new growth potential in the economy. The development in educational attainment levels shows that little progress has been made. Figure 12 shows the distribution of education on the populations between the ages of 25 and 64 in Greenland, Denmark and the EU for 2004, 2014 and 2024. For Greenland, there has been a shift whereby fewer people only have lower secondary qualifications, and more people have completed upper secondary education. This indicates that, over time, the education system has had some

impact, but the starting point is still considerably weaker than in comparable countries. In 2024, almost half of Greenland's population aged 25–64 still only had lower secondary qualifications, compared to significantly lower shares in both Denmark and the EU. The proportion with higher education is equivalently low. This limits the supply of formally educated manpower and reduces both the labour market's flexibility and the economy's adaptability.

Figure 9
Development in level of education
Distribution of education



Note: The columns show the distribution of education on the populations between the ages of 25 and 64 in Greenland, the EU and Denmark for 2004, 2014 and 2024.
Sources: Statistics Greenland, Eurostat and Statistics Denmark.

The challenge is well-known and has received political attention for a number of years. Education has therefore also been a prioritised area of public finances. Naalakkersuisut has, among other things, launched reforms, strategies and objectives with focus on more people completing upper secondary education, higher academic levels in lower secondary education, and improved transitions in the education system. Despite these efforts, the overall structures have changed relatively slowly. This may indicate that the challenge is related to implementation, follow-up and perseverance, rather than a lack of objectives. Priority should therefore be given to specific measures, implemented in depth and maintained over time.

It is also vital to maintain the quality of education programmes at a level that is comparable with international standards. Greenland must not end in a situation where not enough young people gain educational qualifications, or where

academic standards are eroded. If young people in Greenland are to have real opportunities to enrol for education programmes abroad and bring knowledge and skills back to Greenland, this requires an education system with high academic credibility.

In this context, the lower secondary school system has a key role to play. Basic reading, literacy and numeracy skills are essential to ensure that young people can later complete upper secondary and higher education programmes. Early, persistent efforts at lower secondary school level can therefore be viewed as an investment of great importance in the long term for both the overall education system and for a future well-functioning labour market. A well-functioning education system of high quality is essential to improve Greenland's economic resilience and long-term prospects.

It must be acknowledged that Greenland's politicians are aware of the need for significant improvement in the education area. Any such improvement though requires equivalent significant political measures.

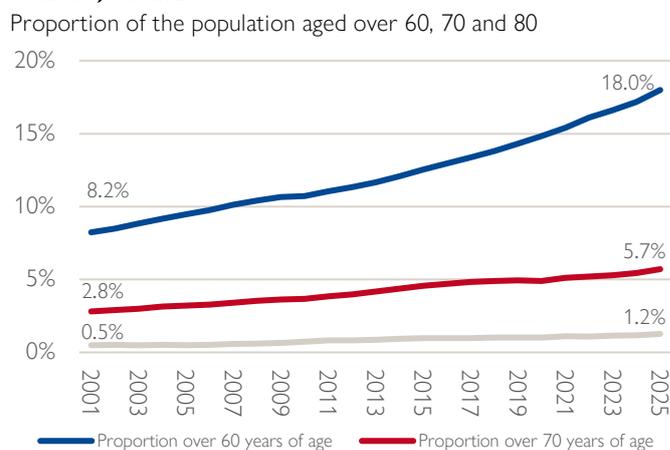
In 2025, Greenland welcomed the historic responsiveness of Denmark and other parts of the world in terms of cooperation, most recently with a substantial economic framework in Denmark's Finance Act. The BANK of Greenland considers it positive that Denmark invests in Greenland, in cooperation with Naalakkersuisut. In the BANK of Greenland's assessment, strengthened cooperation and significant investment in capacity should focus on the education area, in view of the significant potential returns.

Demographic challenges and health

The demographic development and the capacity of the health service play an increasing role in safeguarding Greenland's economic and social viability. This development affects the labour supply, public expenditure and opportunities to maintain a well-functioning labour market in the long term.

Figure 13 shows that the share of the population aged over 60 has increased significantly from 8.2% in 2001 to 18% in 2025, while the numbers of people aged over 70 or 80 are also increasing. This development reflects the gradual ageing of the population, which over time exerts pressure on both the health service and public finances, while at the same time a relatively smaller proportion of the population is of working age. This is a well-known trend that has been the subject of analysis for many years, but the demographic shifts are of increasing significance for the actual development in expenditure and the welfare system's capacity.

Figure 1310
Development in the proportion of the population aged over 60, 70 and 80

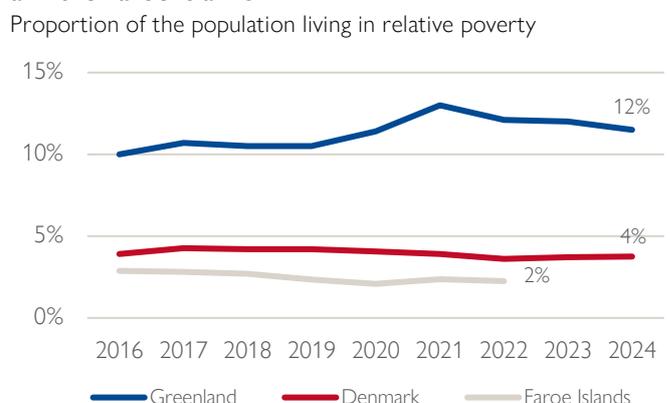


Note: Proportion of the population aged over 60, 70 and 80 from 2001 to 2025.

Sources: Statistics Greenland.

Demographic challenges are amplified by social and economic inequality. Figure 14 shows that the proportion of the population living in relative poverty in Greenland has been at a stable, significantly higher level than in both Denmark and the Faroe Islands over the last many years. Inequality has consequences beyond income levels, as it is often related to differences in health and education status, and attachment to the labour market. Inequality can thereby contribute to lower labour market participation and higher public spending, which further challenges economic resilience.

Figure 1411
Inequality in Greenland compared to Denmark and the Faroe Islands



Note: The proportion of the population aged over 14 years whose income is below 50% of the median of the equalised disposable income. Equalised disposable income is an income measure that corrects income on the basis of the number of family members, i.e. the scale economies that may arise from more adults and the expenses associated with having children. Due to data limitations, for the Faroe Islands this is the proportion aged over 17.

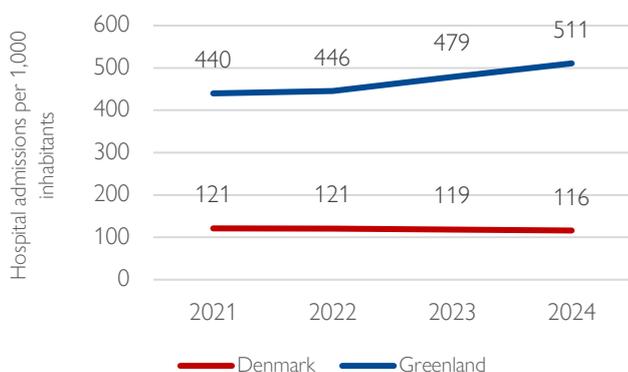
Sources: Statistics Denmark, Statistics Greenland and Statistics Faroe Islands.

In this context, the health service is a key bearing element for society and the labour market. A well-functioning health service is essential for a stable and well-educated workforce, and for maintaining productivity. Moreover, a well-functioning health service is also a condition for financially resourceful families continuing to live in Greenland. The health service in itself is also a significant part of the public sector and total public expenditure.

Figure 15 shows that there are substantially more admissions in Greenland compared to Denmark, adjusted for population size.

Figure 1512
Development in number of admissions

Number of admissions per 1,000 residents



Note: Number of admissions in Denmark and Greenland per 1,000 residents. In Denmark, admissions are defined as hospital stays of +12 hours. The Y axis is broken, to make the trend for Denmark clearer.

Sources: Sundhedsrådets (Danish Health Council) Annual Report 2025, Statistics Greenland, Sundhedsdatabanken (health databank) and Statistics Denmark.

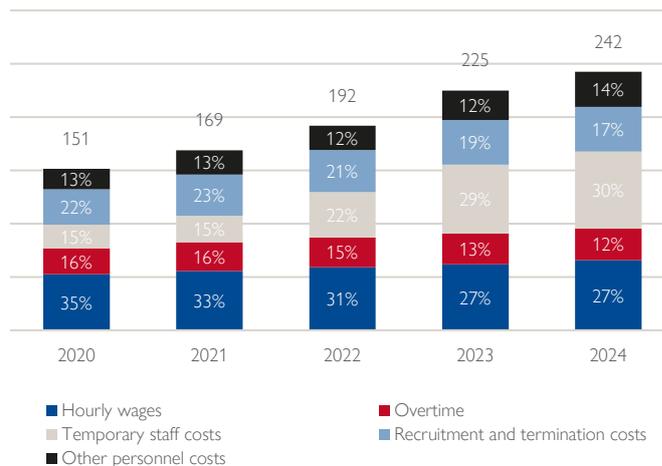
The Health Council's 2025 Annual Report shows that in Greenland there were a total of 28,957 admissions in 2024, equivalent to 511 admissions per 1,000 residents. In the same year in Denmark, there were 116 admissions per 1,000 residents. Besides the clear difference in levels, the number in Greenland also increased by around 16% during the four-year period. For comparison, the number fell by around 4% in Denmark in the same period.

The level of admissions indicates a large burden on the health service, amplified by the demographic challenges highlighted in Figure 13. The Health Council's Annual Report also shows that in 2024 there were 11,578 unique patients admitted, equivalent to around 20% of the population. Moreover, this does not take account of patients treated in Denmark. This entails a significant direct economic burden on the health service and also reflects an underlying structural challenge, where the burden of ill health can affect the labour supply and thereby productivity.

The challenges are even more apparent from the personnel costs in Greenland's health service. Figure 16 shows a significant increase in personnel costs since 2020. Spending on temporary personnel in particular rose from DKK 22 million in 2020 (15%) to around DKK 72 million in 2024 (30%).

Figure 16
Development in personnel costs

DKK million



Note: The columns show personnel costs in Greenland's health service for the period from 2020 to 2024. The costs are compiled as categories by type of spending.

Sources: The Danish Health Council's 2025 Annual Report.

The development reflects persistent challenges with recruiting and retaining permanent staff, which is also highlighted in the Health Council's 2025 Annual Report. Using temporary employees is a flexible, but cost-intensive solution that does not contribute to a stable, long-term foundation for the health service, and which can affect both the quality and continuity of treatment. The development in the health service thereby illustrates a broader structural challenge. When it is difficult to retain personnel in key welfare functions this increases both the direct costs and the economic consequences. A health service that is under pressure affects not only public budgets, but also how well the labour market functions and the population's opportunities to contribute actively to the economy.

To a high degree, Greenland's structural challenges set the framework for both economic development and society's viability. A limited labour supply, continued relatively low attainment of educational qualifications, and demographic shifts increase the pressure on the labour market and public finances. The development in the health service also emphasises that the welfare system's sustainability is closely related to the population's opportunities for education and employment. This draws a clear picture of how long-term economic resilience requires

cohesive solutions that can strengthen competences, the labour supply and key welfare functions.

Just like the education system, the healthcare system is one of society's key bearing elements. As described, a weakening of these elements presents a number of challenges. These are also key elements for opportunities to retain financially and vocationally strong residents and families in Greenland. The challenges are described in the health commission's report, and like education, this is an area in obvious need of significant changes. In this case too, these are changes that can be achieved by rethinking and strengthening the cooperation with Denmark and EU.

Value of geopolitical investments

2025 was a year in which there was significant geopolitical focus on Greenland. The start of the year was affected by the USA's massive pressure against Greenland, which gave rise to uncertainty, bordering on fear, and which came as a shock to much of the population.

This international interest is driven by Greenland's strategic position, importance for security policy and access to critical resources. This development has also emphasised that geopolitics not only concern investment and cooperation, but also serious security policy tensions, with Greenland's geographical location as a central element.

The course of events in 2025 has resulted in a number of concrete agreements and investments of significance to Greenland's society and economy.

In 2025, the cooperation with Denmark resulted in decisions and investments in the areas of defence, emergency management and infrastructure, while building a stronger relationship. Expansion of military and organisational capacity, including new facilities and structures, creates local activity and jobs and also presents opportunities for dual utilisation, whereby investments can also support non-military purposes such as emergency management, transport, and search and rescue capacity.

The EU and its member countries has also increasingly positioned itself as a strategic partner. The EU's involvement is directed at such areas as minerals, infrastructure and knowledge acquisition and can contribute to curtailing risks in projects that would otherwise be difficult to achieve in Greenlandic conditions. This type of geopolitical engagement can serve as a catalyst for investment, whereby value is measured not only as exports or revenue, but also as stronger capacity and institutional robustness.

The economic value of geopolitical investments thereby lies not only in the individual projects, but also in their lasting effect. Improved emergency management, stronger search and rescue capacity, greater accessibility and a more stable infrastructure are of concrete value for residents, business and industry, and local communities. Geopolitical engagement can also contribute to resolving structural challenges.

Greenland's geopolitical position thus has the potential to create economic and social value. This potential cannot be realised automatically, however, but requires that investments take account of society's long-term need for skills and qualifications, labour supply and welfare. In this context, the geopolitical focus can be used wisely as an important supplement to Greenland's own economic and social development.



ARCTIKA

About the BANK of Greenland in Brief

The BANK of Greenland was established in 1967 by a group of Danish banks. The founding general meeting was held on 26 May 1967 at Danske Bankers Fællesrepræsentation's premises in Copenhagen. This marked the birth of the first bank in Greenland. The Bank opened on 1 July 1967.

Nine months before, Bikuben (restructured in 1985 as Nuna Bank) established a branch in Nuuk. In 1997, the BANK of Greenland and Nuna Bank merged.

The BANK of Greenland's mission

"The BANK of Greenland creates income and value through advisory services and other services in the financial area for all citizens of Greenland. We support society by promoting financial understanding, cooperating with educational institutions and the business community, and supporting sustainable local initiatives and development."

The Bank's mission should thus be viewed in a broader perspective whereby the BANK of Greenland can be seen as the Bank for all of Greenland. This imposes an enhanced responsibility to participate positively and actively in society's development and to help to create opportunities in Greenland, while also ensuring sound financial activities. The BANK of Greenland is highly aware of this vital role.

The BANK of Greenland's values

The BANK of Greenland's values are firmly anchored in the Bank and its employees. The values are **Commitment, Decency, Customer-oriented** and **Development-oriented**. These values serve as a guide for how we act and wish to be seen within and outside the Bank.

The BANK of Greenland's strategy, vision and objectives

In December 2024, the BANK of Greenland's Board of Directors approved the Bank's strategy for the coming years. "Strategy 2028" will support the vision and objective to be "for the benefit of Greenland". The strategy determines the Bank's key development areas for the coming years, as well as setting out an overall action plan. The Bank seeks to involve all staff in achieving the Bank's vision to be "for the benefit of Greenland".

The BANK of Greenland hereby wishes to ensure the Bank's continued favourable development through a balanced focus on the three main areas:

Business development, employee development and customer experience

On an annual basis, the main areas are included in objectives, which are continuously adjusted to the long-term strategy and vision for 2028. The BANK of Greenland will thereby ensure that we continue to give value to society and are the preferred bank for customers, shareholders and employees, fulfilling the vision to be "for the benefit of Greenland".

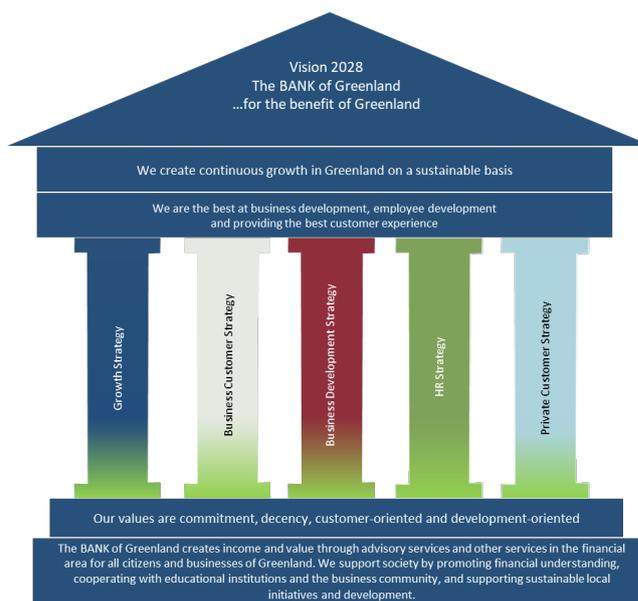


Figure 1
The Bank's vision for 2028 – for the benefit of Greenland

Summary of Financial Highlights

DKK 1,000

	2025	2024	2023	2022	2021
SELECTED OPERATING ITEMS:					
Net interest and fee income	428,840	470,264	435,012	351,485	338,933
Other operating income	6,340	5,400	5,803	6,588	6,185
Core income	435,180	475,664	440,815	358,073	345,118
Staff and administration expenses	244,385	226,362	211,166	195,056	186,385
Depreciation and impairment of tangible assets	9,621	9,017	8,158	7,320	7,014
Other operating expenses	3,270	4,255	2,815	2,706	2,497
Core expenses	257,276	239,634	222,139	205,082	195,896
Core earnings	177,904	236,030	218,676	152,991	149,222
Value adjustments	19,024	28,578	40,058	-39,356	11,219
Write-downs on loans and receivables, etc.	15,539	18,909	14,160	4,523	1,537
Profit before tax	181,389	245,699	244,574	109,112	158,904
Tax	536	36,689	52,179	10,361	26,072
Profit for the year	180,853	209,010	192,395	98,751	132,832
SELECTED BALANCE SHEET ITEMS:					
Lending	4,921,760	5,030,995	4,812,975	4,353,585	3,783,681
Deposits	7,873,973	7,152,807	6,413,469	5,942,479	5,363,871
Equity	1,599,024	1,593,622	1,479,123	1,318,592	1,267,911
Total assets	10,974,460	10,021,543	8,840,981	7,949,566	7,226,988
Contingent liabilities	1,275,574	1,422,643	1,774,426	1,934,125	1,781,465
KEY FIGURES FOR THE BANK (IN PER CENT)					
Return on opening equity before tax and dividend	12.4	17.5	18.9	9.0	13.9
Return on opening equity after tax and dividend	12.4	14.9	14.9	8.1	11.6
Capital ratio	27.8	26.9	26.0	23.6	24.4
Individual solvency requirement	10.9	11.1	11.1	11.1	10.7
KEY RATIOS PER SHARE IN DKK					
Profit for the year per share, before tax	100.8	136.5	135.9	60.6	88.2
Profit for the year per share, after tax	100.5	116.1	106.9	54.9	73.8
Net book value per share	888	885	822	733	704
Dividend per share	80	100	55	20	40
Closing share price	880	700	625	590	598

Definition of key figures for the Bank

Core earnings

Core income (Net interest and fee income and other operating income) minus core expenses (Staff and administration expenses, depreciation and impairment and tangible assets and other operating expenses).

The period's return on equity before tax and after dividend

Profit before tax as a ratio of equity less the taxable value of dividend.

The period's return on equity after tax and after dividend

Profit after tax as a ratio of equity less the taxable value of dividend.

Management's Review for 2025

Principal activity

The BANK of Greenland's principal activity is to offer financial services to private customers, business customers and public institutions in Greenland. The Bank wishes to offer a wide range of products that is adapted to Greenland's society and customers' requirements, combined with professional advisory services.

Statement of income

Net interest income decreased by TDKK 44,644 from 2024. A declining level of interest rates in the first half of 2025 is the primary reason. Increasing deposits and thereby higher surplus liquidity had a moderating effect, however.

Dividend on the Bank's shareholdings amounts to TDKK 11,971, compared with TDKK 8,859 in 2024. The most significant reasons for the increase are that the Bank has increased its shareholding in DLR Kredit A/S, and moreover, BI Holding paid out extraordinary dividend in December 2025.

Fee and commission income increased by TDKK 270 from 2024 to 2025. The increase is driven by higher securities earnings, including for the Bank's Qimatut pension product.

Other operating income, primarily external rental income on the Bank's residential properties, amounted to TDKK 6,340, compared with TDKK 5,400 in 2024.

Staff and administration expenses increased by TDKK 18,023 to TDKK 244,385. Staff expenses increased as a consequence of pay increases under collective agreements and investment in staff increases. Administration expenses were at a higher level of TDKK 115,339 compared with TDKK 106,438 in 2024. The higher level primarily reflects an increase in IT costs related to BEC Financial Technologies.

Selected Highlights and Key Figures

DKK 1,000

	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net interest and fee income	108,944	100,250	111,691	107,955	114,392	113,509	122,734	119,629
Costs, depreciation and amortisation	65,923	62,977	63,992	64,384	65,959	56,190	58,299	59,186
Other operating income	1,500	1,459	1,635	1,746	1,428	1,355	1,316	1,301
Profit before value adjustments and write-downs	44,521	38,732	49,334	45,317	49,861	58,674	65,751	61,744
Value adjustments	5,396	9,345	-2,907	7,190	6,004	18,657	-1,450	5,367
Write-downs on loans, etc.	987	32	1,096	13,424	3,745	3,892	5,946	5,326
Profit before tax	48,930	48,045	45,331	39,083	52,120	73,439	58,355	61,785

Depreciation of property and fixtures and fittings increased to TDKK 9,621 compared with TDKK 9,017 in 2024. Additional staff properties and value adjustment of properties increased depreciation in 2025.

Other operating expenses decreased by TDKK 604 to TDKK 3,270. Other operating expenses primarily concern operation and maintenance of bank buildings, as well as contributions to Afviklings- og Garantiformuen (the Settlement and Guarantee Capital scheme). The decrease in expenses is primarily related to contributions to the scheme.

The profit before value adjustments and write-downs is thereby, as expected, lower than in 2024, at TDKK 177,904, compared with TDKK 236,030 in 2024.

Considering Q4 2025 in isolation, net interest and fee income amounted to TDKK 108,944, compared with TDKK 114,392 for the same period of 2024. The development in Q4 2025 is primarily due to higher fee income in Q4 compared with Q3 2025. Comparison of the quarters of 2025 with the quarters of 2024 shows declining income from interest, although the difference is lower in Q4.

Total costs are at the level of the same period of the previous year, amounting to TDKK 65,923, compared with TDKK 65,959 in Q4 2024.

Value adjustments amount to TDKK 5,396 and are thereby lower than in the same quarter of 2024, which should, however, be viewed in the context of the aforementioned extraordinary dividend from BI Holding in Q4 2025.

Write-downs and provisions are TDKK 987 lower than for the same period last year. The profit before tax in Q4 is thus TDKK 48,930, compared with TDKK 52,120 in the same quarter of 2024.

For the overall year, value adjustment of securities and currencies resulted in a gain of TDKK 19,024, compared with a gain of TDKK 28,578 in 2024. The Bank's holdings of sector equities gave lower gains than the previous year, although this should be viewed against higher share dividends. The market's performance entailed lower capital gains on the Bank's bond holdings, but nonetheless a gain for the year of DKK 7.5 million in 2025, compared with a gain of DKK 16 million in 2024. Exchange rate adjustments show an increase from the previous year.

Impairment write-downs on loans, etc. were TDKK 15,539 in 2025, which is TDKK 3,370 lower than in 2024. This is still a modest overall level. The total impairment write-downs amount to 0.2% of the Bank's loans and guarantees. The Bank continues to see generally strong credit quality in the lending portfolio.

In addition to the Bank's individual impairment models, a management estimate is allocated, which at the end of 2025 totalled DKK 41.1 million. The estimate addresses industry and credit risk, but in particular also risks associated with inflation and cyclical uncertainties, as well as ESG risks.

The profit before tax is TDKK 181,389, compared with TDKK 245,699 in 2024. The profit for the year is thereby within the interval of DKK 180-182 million most recently stated in January 2026. The profit before tax gives a return on equity of 11.4%.

Tax is calculated at 25% of the profit before tax, adjusted for non-tax-liable income and non-deductible expenses. The profit after tax is TDKK 180,853 for 2025, with a return on equity of 11.3%.

Balance sheet and equity

The BANK of Greenland's balance sheet at year-end 2025 totalled a record TDKK 10,974,460, which is an increase of TDKK 95,917 from 2024. Deposits were on a rising trend throughout 2025, amounting to TDKK 7,873,973 at the end of 2025. Compared with 2024, this is an increase of TDKK 721,166. Deposits primarily increased in the public-sector customer segment and from business customers in 2025. The Bank's deposits are mainly held on demand.

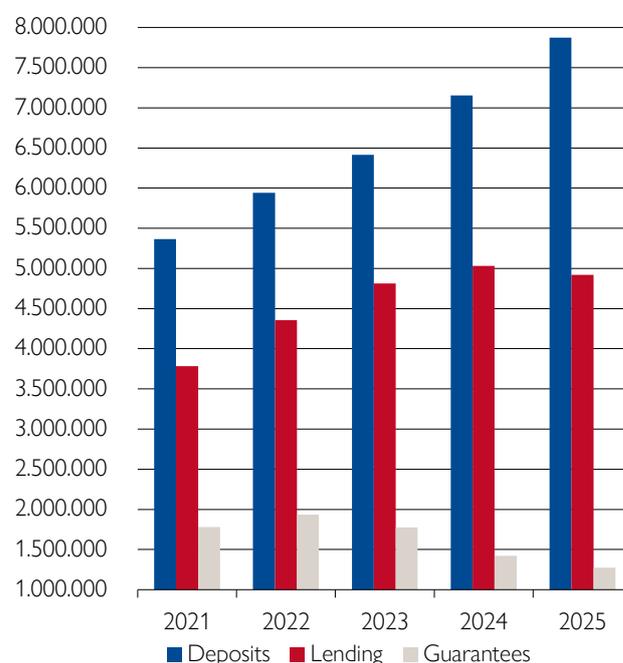
Lending in 2025 decreased by 2.2% or TDKK 109,235 to TDKK 4,921,760 after maintaining a higher level for most of the year. At the beginning of 2025, the Bank expected that

Greenland's economic performance would entail a modest increase in lending in 2025. However, lending declined slightly in 2025, due to changes in major construction financing projects in Q4 2025. At the same time, the Bank's guarantees decreased by TDKK 147,069 to TDKK 1,275,574.

Total loans and guarantees thereby decreased by a total of TDKK 256,304 to TDKK 6,197,334.

Development in business scope

DKK 1,000



The Bank's bond holdings increased by TDKK 23,928 to TDKK 1,522,468.

Land and buildings increased by TDKK 16,856 to TDKK 327,716 in 2025. Due to increasing staff numbers, the Bank acquired five new staff accommodation units in 2025.

The pension area, expressed as assets in pool schemes and including returns, increased by 15% in 2025, to TDKK 780,071.

In accordance with the capital plan, in 2025 the Bank made an additional Senior-Non-Preferred bond issue of TDKK 125,000, while TDKK 50,000 was redeemed.

The Bank also issued supplementary capital of TDKK 40,000 in 2025.

Equity amounts to TDKK 1,599,024, compared with TDKK 1,593,622 at the end of 2024. Share capital amounts to TDKK 180,000. The capital ratio is 27.8, compared with 26.9 in 2024.

Uncertainty of recognition and measurement

The main uncertainties concerning recognition and measurement are related to write-downs on loans, provisions on guarantees, the valuation of financial instruments, and properties. The management assesses that the uncertainty concerning the presentation of the accounts for 2025 is at a responsible level and is unchanged from the previous year.

Compliance and anti-money laundering

In 2025, the BANK concluded and closed the mandatory orders issued by the Danish FSA in connection with inspection of the anti-money laundering area in 2024.

The mandatory orders received after the inspection are described on the Bank's website under the following link (Danish only):

<https://www.banken.gl/media/sy0dmrtb/redeg%C3%B8relse-om-hvidvaskinspektion-juni-2024.pdf>

The Bank has established a separate department to handle anti-money laundering and measures to prevent the financing of terrorism. The department is among other things responsible for control of new customer registrations, alarm processing and reporting to the Anti-Money Laundering Secretariat. In addition, the department undertakes the annual reporting to the Board of Directors concerning the Bank's money laundering risks.

There is also a separate compliance function. The compliance function is responsible for independent reporting to the Executive Management and the Board of Directors. The compliance function reports directly to the Executive Management, which receives regular reports. The Board of Directors receives two annual reports on compliance risks in the Bank.

The compliance function is responsible for assessment and control of compliance with applicable legislation, market standards and internal regulations. In addition, it advises on how compliance risks can be managed and reduced.

In August-September 2025, the Danish FSA conducted an ordinary inspection of the Bank, during which all significant risk areas were reviewed. The inspection resulted in one mandatory order, which the Bank has noted. The inspection report (Danish only) can be found at: <https://www.banken.gl/media/gywd41os/redegoerelse-om-inspektion.pdf>

Financial risks

The BANK of Greenland is exposed to various financial risks, which are managed at different levels of the organisation. The Bank's financial risks consist of:

Credit risk: Risk of loss as a consequence of debtors' or counterparties' default on actual payment obligations.

Market risk: Risk of loss as a consequence of fluctuation in the fair value of financial instruments and derivative financial instruments, due to changes in market prices. The BANK of Greenland classifies three types of risk within the market risk area: interest rate risk, foreign exchange risk and share risk.

Liquidity risk: Risk of loss as a consequence of the financing costs increasing disproportionately, the risk that the Bank is prevented from maintaining the adopted business model as a consequence of a lack of financing/funding, or ultimately, the risk that the Bank cannot fulfil agreed payment commitments when they fall due, as a consequence of the lack of financing/funding.

Operational risk: The risk that the Bank in full or in part incurs financial losses as a consequence of inadequate or deficient internal procedures, or human errors, IT systems, etc.

Capital requirement

The BANK of Greenland must by law have a capital base that supports the risk profile. At the end of 2025, elements of the CRR3 EU capital requirement regulations entered into force in Greenland. The BANK of Greenland compiles the credit and market risk according to these regulations and the operational risk is now compiled according to the business indicator method. Concerning risk management, reference is made to Note 2.

MREL requirement

The requirement concerning own funds and eligible liabilities must be viewed as an element of the recovery and resolution of banks. This entails that banks which are subject to this requirement must maintain a ratio of capital instruments and debt obligations that, in a resolution situation, can be written down or converted before simple claims.

On 10 December 2024, a revised MREL requirement was determined by the Danish FSA for the BANK of Greenland, at 30.2% including buffers. The MREL requirement is being phased in up to 2027. This means that in the course of the coming years, the Bank must fulfil the requirement by issuing capital instruments and through consolidation of equity capital.

On the basis of the established MREL requirement, the Bank made two further issues in 2025, with a view to targeted coverage of the MREL requirement. Issues of DKK 125 million Senior Non-Preferred and DKK 40 million subordinated debt were made.

Capital requirement	2025	2024
Solvency requirement	10.9%	11.1%
SIFI buffer requirement	1.5%	1.5%
Capital reserve buffer requirement	2.5%	2.5%
Capital requirement	14.9%	15.1%
MREL add-on (phased in from 1 January 2022)	10.2%	7.5%
Total capital requirement (MREL and buffer requirement)	25.1%	22.6%
MREL capital ratio, cf. Note 23	33.9%	31.7%
Surplus capital cover	8.8%	9.1%
Total capital requirement at the end of 2025 / 2024	25.1%	22.6%
MREL add-on phasing in 01.01.2026 / 01.01.2025	2.6%	2.5%
Countercyclical capital buffer 01.01.2026	0.5%	-
Countercyclical capital buffer 01.07.2026	0.5%	-
Total capital requirement 2026 / 2025	28.7%	25.1%
Surplus capital cover 2026 / 2025	5.2%	6.6%

The MREL requirement is being phased in as from 1 January 2022 on a linear basis over six years. This entails that the Bank must fulfil an MREL requirement including buffers of 25.1% in 2025. As from 1 January 2026, the Bank must fulfil an MREL requirement including buffers of 28.2% and from 1 July 28.7%, on the basis of the revised MREL requirement including buffers of 31.2%.

Sound capital

In accordance with the Danish Financial Activities Act, the Board of Directors and the Executive Management must ensure that the BANK of Greenland has an adequate capital base. The capital adequacy requirement is the capital which, according to the management's assessment, as a minimum is needed to cover all risks.

The BANK of Greenland was designated as an SIFI institution in April 2017. Based on the requirements concerning eligible liabilities, the Board of Directors expects that the total capital reserves must be increased during the coming years. The aim of the Board of Directors is that there must be sufficient capital for growth in the Bank's business activities. There must also be sufficient capital to cover ongoing fluctuations in the risks assumed by the Bank.

The Bank's risk-weighted assets amount to TDKK 5,719,593, compared with TDKK 5,710,361 in 2024. CRR3 was implemented in Greenland's legislation at the end of 2025 and the effect of the new legislation was recognised in the compilation of the risk-weighted assets at the end of 2025.

The Bank's Board of Directors has adopted a capital objective with a CET1 target of 24%. The BANK of Greenland's core capital ratio was 25.3 at the end of 2025, and the capital ratio was 27.8 after payment of the proposed dividend. The actual core capital ratio is thereby above the long-term target of 24. In view of the previously mentioned geopolitical uncertainty to which Greenland is subject, and the expected balance sheet development in 2026, the Bank considers it appropriate to be capitalised higher than the target level.

Based on the aforementioned, the Bank's Board of Directors proposes to the Annual General Meeting that dividend of DKK 80 per share be paid for 2025, equivalent to 80% of the profit after tax.

As at 31 December 2025, the Bank's individual solvency requirement was compiled at 10.9%. The BANK of Greenland thereby has surplus capital cover before the buffer requirements of 16.9%. After deductions for the capital reserve buffer requirement of 2.5% and the SIFI buffer requirement of 1.5%, the surplus cover is 12.9%.

In December 2024, the Minister of Industry, Business and Financial Affairs approved the phasing-in of a countercyclical capital buffer requirement of 0.5% as from 1 January 2026, and an additional 0.5% as from 1 July 2026.

The individual solvency requirement is compiled on the basis of the Order on the calculation of risk exposures, capital base and solvency requirements, as well as the Danish FSA's guideline in this respect. On the basis of the calculated capital requirement, the Bank has compiled surplus cover at TDKK 965,845, which comprises the difference between the capital requirement (solvency requirement) and the actual capital (capital ratio). The management assesses that the capital is adequate to cover the risk entailed by the Bank's activities.

The BANK of Greenland's capital plan meets the requirements in full, so that the annual financial statements are presented on a going-concern basis.

Reference is made to the BANK of Greenland's website for a description and amplification of the method of calculation of the capital and solvency requirement for 2025.

Reference is also made to the Bank's risk management report for 2025 at: <https://www.banken.gl/en/about-us/investor-relations/risk-reports/>

The BANK of Greenland's calculated capital and solvency requirement according to the 8+ model

DKK 1,000

	2025		2024	
	Capital requirement	Solvency requirement	Capital requirement	Solvency requirement
Pillar I requirement	457,567	8.0%	456,829	8.0%
Credit risk	88,719	1.6%	114,534	2.0%
Market risk	30,891	0.5%	27,320	0.5%
Liquidity risk	2,495	0.1%	6,270	0.1%
Operational risk	13,920	0.2%	23,621	0.4%
Other risk	30,498	0.5%	5,524	0.1%
Capital and solvency requirement	624,090	10.9%	634,098	11.1%

Liquidity

The BANK of Greenland has a comfortable deposit surplus and the Bank's funding is based on deposits and capital issues.

The official measure of liquidity is the Liquidity Coverage Ratio (LCR), which is a minimum requirement of the ratio between current assets and liabilities, to ensure a satisfactory liquidity ratio. LCR must be at least 100%.

At the end of 2025, the Bank had an LCR of 297.2% and thereby fulfilled the LCR requirement.

DKK 1,000

	2025	2024
Liquidity buffer LCR	4,413,620	3,454,167
Outflow, net	1,485,000	1,297,598
LCR	297.2%	266.2%

The Supervisory Diamond

The BANK of Greenland has considered the benchmarks set out in the Danish FSA's Supervisory Diamond for banks. The Supervisory Diamond states four benchmarks for banking activities which the Bank aims to fulfil. At the end of 2025, the BANK of Greenland lies within all of the threshold values in the Supervisory Diamond.

Supervisory diamond

	2025	2024	Limit
Sum of large exposures	129.7%	136.0%	< 175%
Property exposure	19.0%	19.8%	< 25%
Growth in lending	-2.2%	4.5%	< 20%
Liquidity benchmark	297.9%	268.4%	> 100%

In accordance with the table below, the sum of the Bank's 20 largest exposures can be stated at 129.7%, which is adequately below the Danish FSA's threshold of 175%. It must be noted that approximately 35% points concern exposures to publicly-owned enterprises.

The property exposure has been reduced and amounts to 19.0%, according to the table below. This exposure is subject to considerable subordinate public financing. In addition, some of the exposure is based on lease contracts with the state, the Government of Greenland or municipalities. The Bank assesses that these factors contribute to stabilising the overall sector exposure.

Investor relations

The BANK of Greenland seeks to ensure transparency concerning the Bank and there is good communication and dialogue with the Bank's shareholders and other stakeholders. This takes place, for example, by providing information to Nasdaq OMX Copenhagen, where the Bank is listed. The purpose of publishing information is to:

- Comply with applicable disclosure obligations and current stock-exchange ethical regulations.
- Ensure openness concerning the Bank.

- Ensure good and positive dialogue with the Bank's stakeholders.
- Increase awareness of the BANK of Greenland in investor circles in Greenland and abroad.
- Give investors structured, continuous and planned information which fulfils the investors' information requirements when investment decisions are taken.
- Increase the liquidity of the BANK of Greenland share.

The objective will result in rapid, accurate information concerning both price-relevant and other matters relating to the Bank. The BANK of Greenland entered into a collaboration with HC Andersen Capital, which includes quarterly online investor presentations.

The BANK of Greenland publishes information that may be of relevance to its share price as company notifications via Notified – Nasdaq OMX and on the Bank's website under "Investor" <https://banken.gl/en/about-us/investor/>. The content of the notifications includes quarterly, interim and annual reports, including management reviews, general meetings and other news. All company notifications are drawn up in Danish and English on publication. Furthermore, information is made available in Danish, Greenlandic and English on our website: <https://banken.gl/en/about-us/investor/>.

When investor presentations are held, the material is subsequently published on the BANK of Greenland's website, so that it is generally available.

The Executive Management is responsible for informing investors and other stakeholders, by agreement with the Board of Directors. In special cases, the Executive Management may authorise senior staff members to notify investors and other stakeholders.

At a price of 880 at the end of 2025, the price of the BANK of Greenland's share has increased since the end of 2024, when the price was 700. The BANK of Greenland proposes to the Annual General Meeting that the dividend payment for 2025 is DKK 80 per share, or a total of DKK 144 million. It should be noted that in Greenland dividend is tax deductible for the dividend-paying company.

Shareholders

The BANK of Greenland's overall financial objective is to achieve a competitive return for the shareholders.

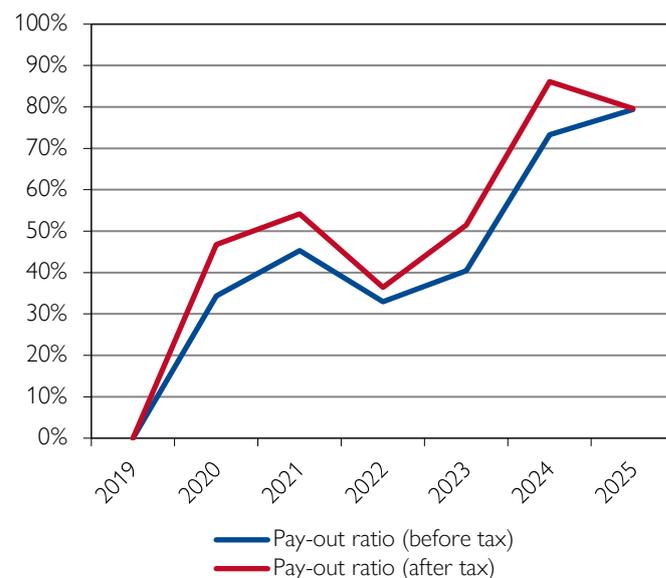
At 31 December 2025, the BANK of Greenland had 2,873 shareholders registered by name, which is higher than at 31 December 2024, when the number of shareholders registered

by name was 2,484. Shareholders registered by name account for approximately 92% of the share capital. In accordance with Section 28a of the Danish Companies Act, six shareholders have notified shareholdings in excess of 5%, see Note 22.

Dividend policy

The BANK of Greenland's objective is to continue to distribute dividend to its shareholders, according to the expected development in the Bank's operations and balance sheet, tax optimisation and regulatory solvency requirements. The dividend payment for 2025 recommended to the Annual General Meeting is DKK 80 per share, which should be viewed in conjunction with the description given under Capital. The capital ratio is 27.8 and the core capital ratio is 25.3, and thereby above the long-term target of 24, see the previous description.

Historic pay-out ratio



Note: Under Greenland's tax legislation, distributed dividend is fully tax-deductible.

Events occurring after the close of the financial year

As from the balance sheet date and up to today's date no events have occurred to change the assessment of the Annual Report.

Outlook for 2026

Greenland is assessed to face economic challenges at the start of 2026. The BANK of Greenland expects low economic growth in Greenland in 2026, as described under "Greenland's Society and Economy" in this report.

The massive focus on Greenland, which escalated again at the beginning of 2026, can affect the economic development and the framework conditions in Greenland, in both the short and

longer term. However, the BANK of Greenland has no basis to assess that this will be of significant importance in the short term in 2026, so in this report, the Bank continues to base the assessment on the national economic conditions. However, the greater cooperation with Denmark and the EU, among others, must be expected to lead to a number of investments in Greenland, and the addition of further economic activity. This may already have an effect on GDP and the level of activity in 2026, and must be expected to lead to an increase in activity in the coming years.

Interest rates that remain almost unchanged are expected to increase the propensity to invest, and lending is expected to develop positively towards the end of the year. Deposits are expected to be at the level of, or to decrease slightly from, the end of 2025.

The Bank will be affected if inflation and cyclical trends are exacerbated or amplified to any significant degree.

Total core earnings are expected to decrease slightly in 2026, for which the primary reason is that the development in interest rates in 2025 will exert its full effect in 2026.

Total expenses including depreciation and amortisation are expected to be slightly higher than in 2025. No staff increases are expected in 2026, although the full effect of the staff increases in 2025 is expected. Administration expenses are also expected to increase, primarily in the IT area.

The Bank assesses that the credit quality of the loan portfolio is satisfactory. Impairment write-downs on loans are therefore still expected to be at a low, but normalised, level.

Based on the expected level of interest rates, gains on the Bank's listed securities must be expected. Capital gains are also expected from the currency area and sector equities.

Based on these conditions, a profit before tax at the level of DKK 145-175 million is expected in 2026, compared with DKK 181.4 million in 2025. The result is in accordance with the stock exchange announcement of 9 December 2025.

Customers

In 2025, the BANK of Greenland continued to focus on customer satisfaction, which is measured by an annual customer satisfaction survey and is a key element of the Bank's "For the benefit of Greenland" strategy. Customer satisfaction is measured via NPS (Net Promoter Score) and annual customer surveys, where feedback from both business and private customers is used to develop concrete improvement measures. Our

customers' constructive feedback is welcomed with great appreciation and we know that our customers appreciate being heard.

In 2025, the Bank's Business Department focused on strengthening relationships with business customers by offering value-creating business advisory services. The customer survey shows that the relationship with the adviser is vitally important for customer satisfaction.

During the year, the Bank facilitated a number of business events and network activities, under such topics as "Partnerships for growth" and "Business development around the Disko Bay". These initiatives support the Bank's ambition to be a power centre that contributes to growth and innovation throughout Greenland.

In 2025, the Bank launched the "Tourism Loan" product, which aims to support local initiatives and develop the experience economy in Greenland, which is a key element of the Bank's strategy.

Private customers are offered a simple and flexible product range, and these products are used to provide individual solutions to each customer's needs and wishes. Ongoing contact and dialogue with the customer is crucial to ensuring a good customer relationship, and the Bank seeks to be available both in person and on the digital platforms required by the customer.

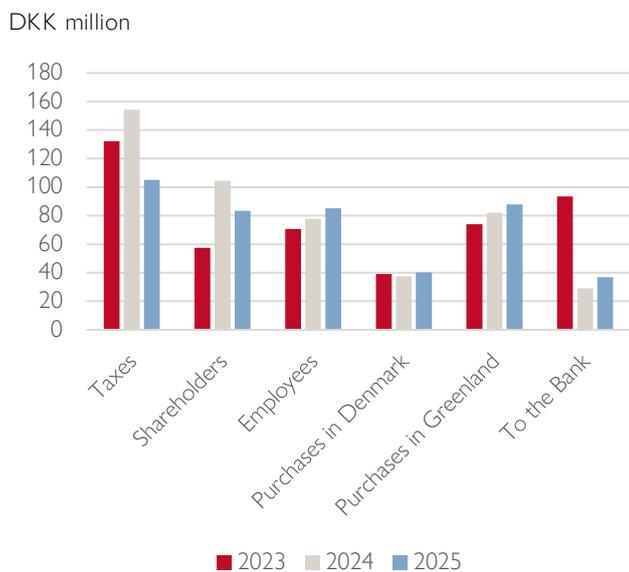
In 2025, the Bank had the major task of updating all of our customers' scope and purpose of business with the Bank. This is to protect customers, the Bank and Greenland in general from economic crime.

The Bank and society

The day-to-day business with the Bank's customers in the course of the year gave income totalling DKK 439 million, compared with DKK 485 million in 2024. The income is the sum of net interest and fee income, other operating income and value adjustments, after deduction of write-downs on loans.

The Greenland Government and the municipalities receive corporate tax, dividend tax and tax on staff remuneration. Employees receive salary and pension contributions, etc., after deduction of PAYE tax. The purchases made by the Bank from Danish suppliers are mainly IT services from BEC Financial Technologies, and sector-related costs for other financial providers, etc.

The BANK of Greenland makes a significant contribution to society as tax payments in the last three years amounting to an average of DKK 130 million per year.



Employees

Our employees are the Bank's DNA and our most important resource, and it is our employees who create and maintain trusting relationships with our customers on a day-to-day basis.

The BANK of Greenland has a strong focus on competence development via trainee programmes, trainee courses, supplementary training, leadership development (HD, MBA and other leadership programmes) and "on the job training".

In 2025, the Bank devised a competence measurement scheme for selected advisers' competences. Competence measurement is followed up with customised training, to increase employees' competences in the key areas.

The BANK of Greenland finds it important to ensure the recruitment of qualified banking professionals, and in the autumn of 2025, the Bank started up a new financial trainee and general trainee scheme for up to 12 employees.

Besides the traineeships, the Bank has very successfully offered internships and created trainee positions for young people with a commercial college background as business economists, or in administration or finance.

In 2025, the Bank continued to work on employee development programmes in collaboration with the Danish Financial Sector's Education Centre. For employees in customer service,

staff and adviser functions, in 2025 a programme called "The Competent Employee" took place.

In 2025, it was possible to fill 98.73% of the positions in the Bank. This high percentage shows how the Bank is viewed as an attractive place to work.

The total number of employees was 158 at the end of 2025. The average age is 44.2 and the average length of service is 8 years and 2 months. 103 women and 55 men are employed.

Partners

The BANK of Greenland is a full-service bank in Greenland. Via cooperation agreements with the best operators within financial IT systems, mortgage credit, insurance, payment settlement, pensions and investment, the Bank wishes to continuously offer a broad, flexible and competitive range of products.

The BANK of Greenland is part of the Danish and international payment infrastructure. In accordance with a service contract with the Greenland Government, the Bank contributes to ensuring that the service level for payment settlement required by the Greenland Government is established at the locations in Greenland where there is no commercial background for the establishment of bank branches.

Corporate Social Responsibility Policy (CSR) and ESG

"Via the Bank's commercial activities and CSR initiatives, we will support sustainable development in Greenland and among other things contribute to Greenland achieving the Sustainable Development Goals, for the benefit of society and of the BANK of Greenland.

A key aspect is to live up to our fundamental social responsibility as Greenland's largest bank and the Bank for All of Greenland, by ensuring balance between development, growth and stability in Greenland's society. In the vision, the Bank has therefore expressed the wish to be "for the benefit of Greenland".

Focus area: Financial understanding

On the basis of our stakeholders' requirements and expectations, and the Bank's strategic goals, we have chosen an overall focus area for our CSR initiatives, which is to create financial understanding.

Creating financial understanding for the individual customer, company or citizen opens up new opportunities and gives insights in order to make the best choices.

Focus area: Social and voluntary involvement

In all our initiatives, we wish to involve our employees on a broad basis, and support other CSR-related projects, by making it possible for employees to work on CSR projects during working hours, within a defined framework.

Focus area: Environment

The Bank is committed to including environmental considerations in our activities on a sustainable business and economic basis. A number of loan options can be used for energy renovation measures, or electric car purchases, for example. We also work with strategic environmental management, where our focus is on reducing consumption of resources, as well as carbon emissions.

Our current obligations

As a signatory to the UN Global Compact, the BANK of Greenland has endorsed ten principles for responsible business conduct with focus on human rights, labour rights, environment and development, and anti-corruption. We will actively manage our obligation to respect the ten principles, including our obligation to handle human rights in accordance with the UN Guiding Principles on Business and Human Rights, and in particular in relation to our customers, employees and Greenland's society. The Bank will also work according to the requirements and expectations as a consequence of the Forum for Sustainable Finance's recommendations.

The above is an excerpt from the BANK of Greenland's CSR and ESG Policy.

CSR and sustainability (ESG) on a day-to-day basis

The overall responsibility for the Bank's CSR work lies with the Managing Director, while responsibility for sustainability (ESG), including preparation for future CSRD reporting, is held by the Bank's Business Development Director.

ESG

In view of the most recent changes, with the adoption of the EU's Omnibus directive on the implementation of requirements under CSRD (Corporate Sustainable Reporting Directive), a large number of reporting requirements have been deferred.

The changed reporting requirements may give the impression that sustainability has lost ground as a strategic priority, which is not the case. On the contrary, the reduced compliance pressure offers new opportunities to focus less on less relevant documentation and data collection, in favour of developing what really matters. The double materiality analysis completed in 2023, and re-visited in 2024, constitutes a sound strategic foundation. It shows where the BANK of Greenland has the

greatest impact, and where the Bank itself is most exposed to sustainability-related risks and opportunities.

The BANK of Greenland wishes to continue the previous strategic efforts to be "purpose-driven" in its ESG/sustainability initiatives, to ensure continued sustainable growth and development in Greenland.

The BANK of Greenland's Statutory Corporate Social Responsibility Report, cf. Section 135 of the Order on the financial reporting of credit institutions and investment service companies, etc., is available on the Bank's website:

<https://www.banken.gl/en/investor/social-responsibility/>

Corporate governance – and statutory corporate governance statement

The BANK of Greenland's objective is to adhere to the recommendations at all times and to the greatest possible extent. The Corporate Governance report is available on the Bank's website: <https://www.banken.gl/en/investor/corporate-governance/>

The presentation of accounts process

The Board of Directors, the Audit Committee and the Executive Management have the overall responsibility for ensuring that the BANK of Greenland's control and risk management concerning the presentation of the accounts is satisfactory and in accordance with applicable legislation in Greenland.- The process for the presentation of the accounts is intended to ensure that the annual report and interim reports are presented correctly and without any material misstatement, whether this is due to error or fraud.

The Bank's finance department is responsible for the practical preparation of the annual report, in close cooperation with the Executive Management and relevant departments. The department obtains and quality assures the necessary information, performs reconciliations and analyses, and ensures significant accounting items are documented. The process, which is supported by the Bank's IT-environment, from which key IT systems are outsourced to BEC Financial Technologies, established procedures and documented internal controls, including controls regarding data quality, access control and validation of central calculation models.

The Executive Management and finance department continuously monitor compliance with legislation and report regularly to the Board of Directors and Audit Committee on accounting estimates, risks and significant matters. At least once a year, the Board of Directors makes an overall assessment of risks related to the presentation of accounts, including the risk of fraud.

The external auditors undertake the statutory audit of the annual accounts, and are assisted by the finance department and Internal Audit with relevant documentation and information. Regular meetings of the auditors, Executive Management and Audit Committee are held, as an element of the planning and review of the audit work.

The BANK of Greenland gives priority to high quality, transparency and due diligence in its financial reporting, and regularly assesses whether processes and controls continue to support the accurate and reliable presentation of accounts.

Data ethics and artificial intelligence

In 2025, the BANK of Greenland adopted an updated policy for data ethics and use of artificial intelligence. This policy sets the framework for the BANK of Greenland's data ethical principles and data ethical conduct, and conditions for the use of artificial intelligence.

Employees must have completed training in guidelines for the use of artificial intelligence, and assignment of an MS Copilot licence is required. The use of artificial intelligence must honour business value while ensuring correct confidential handling of business-critical and personal data, so that these are not compromised.

A report on the Data Ethics Policy can be found on the Bank's website: <https://www.banken.gl/en/investor/data-ethics>

Policy and target level for the under-represented gender

The BANK of Greenland's "Policy and target level for the under-represented gender" is adjusted continuously. At the end of 2025, the gender distribution of the members of the Board of Directors of the BANK of Greenland elected by the Annual General Meeting comprised 33% women and 67% men. The Board of Directors' objective is for the ratio of the under-represented gender to be at least 33%. The target level for the under-represented gender is thereby fulfilled.

At other management levels, the Bank's overall objective is to achieve and maintain an appropriate equal distribution of men and women in its management. Irrespective of gender, the BANK of Greenland's employees must enjoy equal opportunities for career development and management positions. At the end of 2025, managers reporting to the managing director comprised 45% women and 55% men. For the rest of the management team, the distribution at the end of 2025 was 50% women and 50% men (including deputy managers). The Bank's objective is for the distribution of male and female managers to be maintained at between 40% and 60% at all times.

Board of Directors and Executive Management

In accordance with Section 80(8) of the Danish Financial Activities Act, at least once a year the Bank must publish details of the offices which the Board of Directors has approved for persons who in accordance with statutory provisions or Articles of Association are appointed by the Board of Directors, cf. Section 80(1) of the Act. More information is available at www.banken.gl

In accordance with Section 132 a of the Accounting Order, the Annual Report must include details of the managerial posts held by listed banks' Board of Directors and Executive Management members in business enterprises. Reference is made to pages 81-84.

Evaluation of the Board of Directors

The Board of Directors of the BANK of Greenland undertakes an annual evaluation of the Board. This takes place every third year with the external assistance of the Danish Financial Sector's Education Centre or other external providers of this service. This evaluation is the basis for an assessment of several matters concerning the Board of Directors: the Board members' competences, working method, cooperation internally and with the Executive Management, the Chairman's planning of meetings, and the quality of the material provided to the Board of Directors. The most recent evaluation was prepared by the Bank in October 2025. The evaluation of the Board of Directors was at a high level, and it was concluded that the Board has a good overall combination of competences in relation to the Bank's business model.

Authorisation of the Board of Directors concerning trading in own shares

In accordance with an Annual General Meeting decision of 26 March 2025, up to 1 March 2030 the Board of Directors is authorised to allow the Bank to acquire own shares for a nominal value of up to 10% of the share capital, at the listed price on the date of acquisition, with upward or downward variation of 10%.

Audit Committee

The Audit Committee consists of the full Board of Directors, and it has therefore been found most appropriate to maintain the same structure as in the Board of Directors, so that the Chair of the Board of Directors is also the Chair of the Audit Committee.

The tasks of the Audit Committee are to:

- Monitor the presentation of accounts process;
- Monitor the effective functioning of the Bank's internal control system, internal auditing and risk systems;
- Monitor the statutory audit of the Annual Report; and
- Monitor and control the independence of the auditor, and in particular the provision of further services to the Bank.

In this respect, the Bank's control environment for the calculation of the significant accounting estimates is reviewed and assessed. The committee meets immediately prior to the meetings of the Board of Directors.

The mandate of the Audit Committee is presented here:

<https://www.banken.gl/en/about-us/board-of-directors/the-audit-committee-and-risk-committee/>

Risk Committee

The Risk Committee consists of the full Board of Directors, and it has therefore been found most appropriate to maintain the same structure as in the Board of Directors, so that the Chair of the Board of Directors is also the Chair of the Risk Committee.

The tasks of the Risk Committee are to:

- Advise on the Bank's overall current and future risk profile and strategy;
- Assist with ensuring that the Board of Directors' risk strategy is implemented correctly in the organisation;
- Assess whether the Bank's range of financial products and services is in accordance with the business model and risk profile;
- Assess whether the incentives in the Bank's remuneration structure take account of the Bank's risks, capital and liquidity; and
- Assess the Bank's insurance cover of risks.

The mandate of the Risk Committee is presented here:

<https://www.banken.gl/en/about-us/board-of-directors/the-audit-committee-and-risk-committee/>

Remuneration Committee

The Remuneration Committee consists of the Chair and Vice Chair of the Board of Directors and one member of the Board of Directors elected by the employees.

The Remuneration Committee determines the remuneration policy, which is approved by the Annual General Meeting.

In 2025, the Remuneration Committee was among other things engaged in the following:

- Control of bonus paid in accordance with the remuneration policy.
- Determination of the remuneration policy
- Preparation of a Remuneration Report
- Assessment of the remuneration of the Board of Directors and Executive Management, and the criteria for this
- General assessment of remuneration and the criteria for this, including remuneration as a competition parameter.

The Bank of Greenland has prepared a remuneration report.

The report is available on the Bank's website:

<https://www.banken.gl/en/about-us/board-of-directors/remuneration-committee/>

The mandate of the Remuneration Committee and the Remuneration Policy are presented here:

<https://www.banken.gl/en/about-us/board-of-directors/remuneration-committee/>

Nomination Committee

The Nomination Committee consists of the Chair and Vice Chair of the Board of Directors.

In 2025, the Nomination Committee was among other things engaged in the following:

- Description of competence requirements for the Executive Management and Board of Directors.
- Nomination of candidates for election to the Board of Directors.
- Evaluation of the Board of Directors and composition of the Board of Directors based on the competence requirements.
- Determination of a diversity policy.
- Determination of a policy for the under-represented gender and a target level for this.

The Committee assesses that the composition of the Board of Directors reflects the objective of the diversity policy.

The mandate of the Nomination Committee is presented here:

<https://www.banken.gl/en/about-us/board-of-directors/nomination-committee/>

The number of meetings in 2025 and attendance of the meetings of the Board of Directors and all four committees can be seen here: <https://www.banken.gl/en/about-us/board-of-directors/>

General meeting

The Board of Directors is authorised to make the changes and additions to the Articles of Association that are required by public authorities pursuant to the current legislation in force at any time. In addition, the BANK of Greenland's Articles of Association may be amended by a decision of the general meeting if the proposal is adopted by at least 2/3 of both the votes cast and the share capital with voting rights represented at the general meeting.

The members of the Board of Directors are elected by the general meeting, with the exception of the members who are elected in accordance with the statutory regulations concerning the representation of employees on the Board of Directors. The members of the Board of Directors elected by the general meeting comprise at least five and at most ten members. Each year, the three members of the Board of Directors elected by the general meeting who have served longest, calculated from the last election of the members concerned, will resign. If several members have served equally long, their resignation will be decided by drawing lots. The resigning members may be re-elected.

Significant agreements that will be amended or will expire on a change of control of the company

At the end of 2025, the BANK of Greenland had the following agreements that are assessed to be significant and that would be amended or would expire on a change of control of the Bank in conjunction with e.g. a merger.

- Data processing agreement with BEC Financial Technologies (BEC)
- Cooperation agreement with DLR Kredit A/S

BEC Financial Technologies

It is specified in BEC's Articles of Association that membership of BEC can be subject to 2.5 years' notice of termination, by either BEC or the BANK of Greenland, to the end of a financial year. If membership expires by other means related to the BANK of Greenland, the Bank will pay a withdrawal fee to BEC, as specified in the Articles of Association. If a bank is subject to a merger, and ceases to be a separate bank, membership of BEC will expire without notice, but with the opportunity for a transition scheme.

DLR Kredit

As a shareholder of DLR Kredit and in view of the Bank's membership of the Association of Local Banks, the BANK of Greenland has entered into a cooperation agreement with DLR concerning the intermediation of mortgage-credit loans to the Bank's customers.

The cooperation agreement is irrevocable for as long as the BANK of Greenland is a shareholder of DLR Kredit. If the BANK of Greenland divests or deposits its shareholding, the Bank will automatically be deemed to have withdrawn from the cooperation agreement with effect from the end of the calendar year in which the shareholding was divested/deposited. The cooperation agreement may be terminated by DLR Kredit, if this is adopted by DLR's Board of Directors, subject to three months' notice to the end of a calendar year.

Management Statement

The Board of Directors and Executive Management have today considered and approved the Annual Report for the financial year from 1 January to 31 December 2025 for GrønlandsBANKEN, aktieselskab.

The Annual Report has been prepared in accordance with the statutory requirements, including the Danish Financial Business Act, the statutory order on financial reports for credit institutions and investment service companies, etc. and the disclosure requirements for listed financial companies in Denmark.

It is our opinion that the annual financial statements give a true and fair view of the Bank's assets, liabilities and financial position as at 31 December 2025, and of the result of the Bank's activities and cash flows for the financial year from 1 January to 31 December 2025.

Nuuk, 26 February 2026

Executive Management

Martin Birkmose Kviesgaard

Board of Directors

Gunnar í Liða
Chair

Kristian Frederik Lennert
Vice Chairman

Maliina Bitsch Abelsen

Pia Werner Alexandersen

Gert Jonassen

Pilunnguaq F. Johansen Kristiansen

Tulliaq Angutimmarik Olsen

Niels Peter Fleischer Rex

Peter Angutinguaq Wistoft

It is our opinion that the Management's Review gives a true and fair review of the development in the Bank's activities and financial affairs, as well as a description of the significant risks and uncertainties to which the Bank is subject.

It is our opinion that, in all material respects, the Annual Report for GrønlandsBANKEN A/S for the financial year from 1 January 2025 to 31 December 2025, with the file name "80050410-2025-12-31-da", has been prepared in accordance with the ESEF Regulation.

The Annual Report is submitted for approval by the Annual General Meeting.

Audit Statement

The independent auditor's report To the shareholders of GrønlandsBANKEN A/S Opinion

We have audited financial statements of GrønlandsBANKEN A/S for the financial year from 1 January to 31 December 2025, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including material accounting policy information and cash flow statement. The financial statements are prepared in accordance with Danish Financial Business Act and additional disclosure requirements for listed financial companies in Denmark.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2025 and of its financial performance and cash flows for the financial year from 1 January to 31 December 2025 in accordance with Danish Financial Business Act and additional disclosure requirements for listed financial companies in Denmark.

Our opinion is consistent with our audit book comments issued to the Audit Committee and the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of financial statements" section of this auditor's report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities, and the additional ethical requirements applicable in Denmark to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No 537/2014.

We were appointed auditors of GrønlandsBANKEN A/S for the first time on 1 July 1967 for the financial year 1967. We have been reappointed annually by decision of the general meeting for a total contiguous engagement period of 59 years up to and including the financial year 2025.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<p>Write-downs on loans and provisions for losses on guarantees, etc.</p> <p>Lending amounted to DKK 4,992 million and guarantees to DKK 1,276 million at 31 December 2025 (lending amounted to DKK 5,031 million and guarantees to DKK 1,423 million at 31 December 2024).</p> <p>The determination of expected write-downs on loans and provisions for losses on guarantees, etc. is subject to considerable uncertainty and to a certain extent is based on managerial estimates. As a consequence of the significance of these estimates and the size of the loans and guarantees, etc. of the Bank, the auditing of write-downs on loans and provisions for losses on guarantees, etc. is a key audit matter.</p> <p>The principles for the compilation of write-downs on loans and provisions for losses on guarantees, etc. are described further in the accounting policies applied, and the management has described the handling of credit risks and the assessment of the impairment requirement for loans and the need for provisions for losses on guarantees, etc. in Notes 2 and 11 to the annual financial statements.</p> <p>The aspects of loans and guarantees, etc. which entail the greatest degree of estimation, and which therefore require greater auditing attention, are:</p> <ul style="list-style-type: none"> • Identification of exposures that are credit-impaired. • Parameters and managerial estimates in the calculation model applied to determining the expected losses in stages 1 and 2, including the classification thereof. • Assessment of the consequences of events that are not already taken into account, as managerial estimates incorporated in the models, and as managerial additions to the models. 	<p>The matter was considered as follows during the audit</p> <p>On the basis of our risk assessment, the audit has included a review of the Bank's relevant procedures for write-downs on loans and provisions for losses on guarantees, etc., the testing of relevant controls, and the examination of exposures on the basis of random sampling.</p> <p>Our audit procedures included testing of relevant controls concerning:</p> <ul style="list-style-type: none"> • Ongoing assessment of the credit risk • Assessment and validation of input and assumptions applied to the calculation of write-downs on loans and the provisions for losses on guarantees in stages 1 and 2. • Determination of managerial estimates in addition to the model-based write-downs. <p>Our audit procedures also included:</p> <ul style="list-style-type: none"> • Review by random sampling of exposures to ensure correct identification of the credit impairment of loans and guarantees, etc. • Obtaining and evaluating an audit declaration from the Bank's data centre that comprises an assessment of the calculation model applied by the Bank to write-downs on loans and provisions for losses on guarantees, etc. • Challenging of the significant parameters in the calculation model applied, with special focus on objectivity and the data basis used. • Challenging of managerial estimates, with special focus on the management's consistency and objectivity. • Challenging of managerial estimates incorporated in the models, as well as managerial additions relating to the consequences of events that are not already taken into account.
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Statement concerning the Management's Review

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our

knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Business Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Business Act. We did not

identify any material misstatement of the management commentary.

The management's responsibility for the annual financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Danish Financial Business Act and additional disclosure requirements for listed financial companies in Denmark, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in the preparation of the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in the preparation of the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, safeguards put in place and measures taken to eliminate threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Declaration concerning compliance with the ESEF Regulation

As part of our audit of the Financial Statements of Grønlands-BANKEN A/S we performed procedures to express an opinion on whether the annual report for the financial year from 1 January to 31 December 2025 with the file name "80050410-2025-12-31-da" is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes the preparing of the annual report in XHTML format.

Copenhagen, 26 February 2026
Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Anders O. Gjelstrup
State-Authorised Public Accountant

MNE-no. mne10777

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The procedures consist of testing whether the annual report is prepared in XHTML format.

In our opinion, the annual report for the financial year from 1 January to 31 December 2025 with the file name "80050410-2025-12-31-da" is prepared, in all material respects, in compliance with the ESEF Regulation.



Statement of Income

DKK 1,000

Notes		2025	2024
3	Interest income	369,559	476,909
4	Interest expenses	54,250	116,956
	Net interest income	315,309	359,953
	Share dividend, etc.	11,971	8,859
5	Fees and commission income	102,399	102,129
	Fees paid and commission expenses	839	677
	Net interest and fee income	428,840	470,264
6	Value adjustments	19,024	28,578
	Other operating income	6,340	5,400
7, 8	Staff and administration expenses	244,385	226,362
	Depreciation and impairment of tangible assets	9,621	9,017
	Other operating expenses	3,270	4,255
11	Write-downs on loans and receivables, etc.	15,539	18,909
	Profit before tax	181,389	245,699
9	Tax	536	36,689
	Profit for the year	180,853	209,010
	PROPOSED ALLOCATION OF PROFIT		
	Profit for the year	180,853	209,010
	In total available for allocation	180,853	209,010
	Proposed dividend	144,000	180,000
	Retained profit	36,853	29,010
	Total allocation	180,853	209,010

Statement of Comprehensive Income

DKK 1,000

	2025	2024
Profit for the year	180,853	209,010
Other comprehensive income:		
Value adjustment of properties	6,164	6,084
Value adjustment of defined-benefit severance/pension scheme	-74	-74
Tax on value adjustment of properties	-1,541	-1,521
Other comprehensive income after tax	4,549	4,489
Comprehensive income for the year	185,402	213,499

Balance Sheet

(year-end)

DKK 1,000

Notes	2025	2024
Cash balance and demand deposits with central banks	3,017,699	2,080,989
10 Receivables from credit institutions and central banks	106,698	155,989
11 Loans and other receivables at amortised cost	4,921,760	5,030,995
12 Bonds at fair value	1,522,468	1,498,540
13 Shares, etc.	170,179	150,963
14 Assets connected to pool schemes	780,071	675,765
Land and buildings in total	327,716	310,860
15 - Domicile properties	327,716	310,860
16 Other tangible assets	7,407	7,627
Current tax assets	0	658
Other assets	115,390	104,342
Accruals and deferred income	5,072	4,815
Total assets	10,974,460	10,021,543
17 Liabilities to credit institutions and central banks	21,147	15,698
18 Deposits and other liabilities	7,873,973	7,152,807
Deposits in pool schemes	780,071	675,765
19 Issued bonds at amortised cost	348,197	273,569
Current tax liabilities	1,535	0
Other liabilities	76,710	73,807
Prepayments and deferred expenses	4,188	4,395
Total debt	9,105,821	8,196,041
Provisions for pensions and similar obligations	3,307	2,902
20 Provisions for deferred tax	98,831	106,393
11 Provisions for losses on guarantees	12,866	11,241
Other provisions	10,768	7,322
Total provisions	125,772	127,858
21 Subordinated debt	143,843	104,022
Total subordinated debt	143,843	104,022
Equity		
22 Share capital	180,000	180,000
Revaluation reserves	75,069	70,446
Retained earnings	1,199,955	1,163,176
Proposed dividend	144,000	180,000
Total equity	1,599,024	1,593,622
Total liabilities	10,974,460	10,021,543

1 Accounting policies applied

2 Financial risks and policies

23-33 Other Notes

Statement of Changes in Equity

DKK 1,000

	Share capital	Revaluation reserves	Retained earnings	Proposed dividend, net	Total equity
Equity, 1 January 2024	180,000	65,883	1,134,240	99,000	1,479,123
Dividend paid	0	0	0	-99,000	-99,000
Other comprehensive income	0	4,563	-74	0	4,489
Profit for the period	0	0	29,010	180,000	209,010
Equity, 31 December 2024	180,000	70,446	1,163,176	180,000	1,593,622
Equity, 1 January 2025	180,000	70,446	1,163,176	180,000	1,593,622
Dividend paid	0	0	0	-180,000	-180,000
Other comprehensive income	0	4,623	-74	0	4,549
Profit for the year	0	0	36,853	144,000	180,853
Equity, 31 December 2025	180,000	75,069	1,199,955	144,000	1,599,024

Cash Flow Statement

DKK 1,000

	2025	2024
Profit for the year	180,853	209,010
Write-downs on loans	15,539	18,909
Depreciation and impairment of tangible assets	9,621	9,017
Recognised profit on sale of tangible assets	-139	0
Accruals and deferred expenses, net	-463	-1,444
Profit for the year after adjustment for non-cash operating items	205,411	235,492
Liabilities to credit institutions and central banks	5,449	-6,407
Deposits	825,472	901,281
Issued bonds	499	329
Subordinated debt	262	163
Lending	93,696	-236,929
Other working capital	-133,912	-189,090
Other liabilities	736	31,357
Change in working capital	792,202	500,704
CASH FLOWS FROM OPERATING ACTIVITIES	997,613	736,196
Sale of tangible assets	559	0
Purchase, etc. of tangible assets	-20,514	-16,496
CASH FLOWS FROM INVESTMENT ACTIVITIES	-19,955	-16,496
Dividend paid	-180,000	-99,000
Bond issue, including amortisation effect	124,130	99,271
Bond redemption	-50,000	0
Subordinated debt issue, including amortisation effect	39,559	39,530
CASH FLOWS FROM FINANCING ACTIVITIES	-66,311	39,801
CHANGE IN CASH AND CASH EQUIVALENTS	911,347	759,501
Cash and cash equivalents, beginning of year	3,685,518	2,926,017
Cash and cash equivalents, end of year	4,596,865	3,685,518
Cash balance and demand deposits with central banks	3,017,699	2,080,989
Fully secured and liquid cash and cash equivalents in credit institutions, cf. Note 12	106,698	155,989
Non-mortgaged securities	1,472,468	1,448,540
Cash and cash equivalents, end of year	4,596,865	3,685,518



Overview of Notes

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Notes to the Annual Report

1. Accounting policies applied

The Annual Financial Statements are presented in accordance with the Danish Financial Activities Act, including the Order on financial reports for credit institutions and investment service companies, etc. The Annual Report is furthermore presented in accordance with additional Danish disclosure requirements for the annual reports of listed financial companies.

The Annual Report is presented in Danish kroner, rounded to the nearest DKK 1,000.

The accounting policies applied are unchanged from the Annual Report for 2024.

About recognition and measurement in general

Assets are recognised in the balance sheet when it is probable, due to a previous event, that future economic benefits will accrue to the Bank, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Bank, due to a previous event, has a legal or actual obligation, and it is probable that future economic benefits will divest from the Bank, and the value of the liability can be measured reliably.

On first recognition, assets and liabilities are measured at fair value. However, tangible assets are measured at cost price at the time of first recognition. Measurement after first recognition takes place as described for each accounting item below.

On recognition and measurement, account is taken of predictable risks and losses arising before the presentation of the Annual Report, and which confirm or refute conditions existing as of the balance sheet date.

Income is recognised in the statement of income as it is earned, while costs are recognised at the amounts concerning the financial year. However, increases in the value of head office properties that do not match previous impairment are recognised directly to the statement of comprehensive income.

Purchase and sale of financial instruments is recognised on the trading date, and recognition ceases when the right to receive/cede cash flows concerning the financial asset or liability has expired, or has been assigned, and the Bank has in principle transferred all risks and yields related to the property ownership. The BANK of Greenland does not apply the rule on reclassification of certain financial assets from fair value to amortised cost.

Significant accounting estimates, assumptions and uncertainties

The Annual Financial Statements are prepared on the basis of certain special assumptions which entail the use of accounting estimates. These estimates are made by the Bank's management in accordance with accounting policies, and on the basis of historical experience, as well as assumptions which the management considers to be responsible and realistic.

The assumptions may be incomplete, and unexpected future events or circumstances may arise, just as other parties might be able to make other estimates. The areas which entail a higher degree of assessment or complexity, or areas where assumptions and estimates are significant to the accounts, are stated below.

On the preparation of the annual financial statements, the management undertakes a number of accounting assessments as the basis for the presentation, recognition and measurement of the institution's assets and liabilities. The Annual Financial Statements are presented in accordance with the going concern principle, based on current practice and interpretation of the rules for Danish banking institutions. The key estimates made by the management in conjunction with recognition and measurement of these assets and liabilities, and the significant estimation uncertainty related to the preparation of the Annual Report for 2025, are:

- Write-downs for impairment of lending and provisions for guarantees and credit undertakings are made in accordance with the accounting policies, and are based on a number of

assumptions. If these assumptions are changed, the presentation of the accounts may be affected, and this may be significant.

- Listed financial instruments may be priced in markets with low turnover, whereby the use of stock exchange prices to measure fair value may be subject to some uncertainty.
- Unlisted financial instruments may involve significant estimates in connection with the measurement of fair value. See Notes 13 and 29.
- For provisions, there are significant estimates related to the determination of the future employee turnover rate, as well as determining the interest obligation for tax-free savings accounts.
- The measurement of the fair value of head office properties is likewise subject to significant estimates and assessments, including expectations of the properties' future returns and the rates of return fixed. The Bank's principal property is the head office property in Nuuk. A change in the percentage yield of e.g. 0.5% would change the valuation by DKK 9 million for this property. On the valuation of the Bank's head office property in Nuuk, different prices per square metre are used in relation to market rent and potential use.

In 2025, the Bank obtained external broker assessments of a wide selection of the Bank's staff properties, to support the valuation.

Determination of fair value

The fair value is the amount at which an asset can be traded or a liability can be redeemed, in a trade under normal conditions between qualified, willing and mutually independent parties.

The fair value of financial instruments for which there is an active market is determined at the closing price on the balance sheet date or, if not available, another published price that must be assumed to be best equivalent.

For financial instruments for which there is no active market, the fair value is determined with the help of generally recognised valuation techniques, which are based on observable current market data.

Hedge accounting

The Bank applies the special hedge accounting rules to avoid the inconsistency which arises when certain financial assets or financial liabilities (the hedged items) are measured at amortised cost, while derivative financial instruments (the hedging instruments) are measured at fair value.

When the criteria for the application of the hedge accounting rules are fulfilled, the accounting value of the hedged assets and liabilities is subject to adjustment via the statement of income for changes in fair value concerning the hedged risks (fair value hedging). Hedging is established by the Bank for lending at fixed interest rates.

Derivative financial instruments

Derivative financial instruments are measured at fair value, which in principle is based on listed market prices. With regard to unlisted instruments, the fair value is compiled according to generally recognised principles. Derivative financial instruments are recognised under other assets, or other liabilities.

Changes in the fair value of derivative financial instruments which are classified as and fulfil the conditions for hedging the fair value of a recognised asset or liability, are recognised in the statement of income together with changes in the value of the hedged asset or liability. Other changes are recognised in the statement of income as financial items.

Translation of foreign currencies

On first recognition, transactions in foreign currencies are translated at the exchange rate on the transaction date. Receivables, debt and other monetary items in foreign currency which are not settled as of the balance sheet date, are converted at the closing rate for the currency on the balance sheet date. Exchange-rate differences arising between the rate on the transaction date and the rate on the payment date, or the rate on the balance sheet date, are recognised as value adjustments in the statement of income.

Set-offs

The Bank sets off receivables and liabilities when the Bank has a legal right to set off the recognised amounts and also has the intention of net set-off or realisation of the asset and redemption of the liability at the same time.

Agreement with the Ministry of Industry, Business and Financial Affairs in Denmark

The BANK of Greenland has entered into an agreement with the Ministry of Industry, Business and Financial Affairs in Denmark on contributions to support financial stability in Greenland. The contribution is divided into directly attributable compensation contributions for the Bank's MREL issuance costs, and a basic amount.

Compensation has been received for the Bank's MREL issuance costs for the element of the Bank's issues that exceeds the agreed average level to which a small bank in the Association of

Local Banks, Savings Banks and Cooperative Banks in Denmark will be subject.

The compensation is presented as a set-off against subsidy-entitled interest items, or negative interest income and interest expenses, respectively.

Basic amounts received are not directly attributable to a single cost element and are therefore recognised under other operating income. Compensation is recognised in the statement of income in the relevant period.

The Bank has no unfulfilled commitments at the balance sheet date, or other contingent items related to the public compensation.

Statement of income

Interest, fees and commission

Interest income and interest expenses are recognised in the statement of income for the period which they concern. Commission and fees which are an integrated element of the effective interest rate on a loan are recognised as part of the amortised cost and thereby as an integrated element of the financial instrument (lending) under interest income.

Commission and fees which are part of the ongoing servicing of the loan are accrued over the term to maturity. Other fees are recognised in the statement of income as of the transaction date.

Interest on lending classified as stage 3 is calculated on the basis of the net amount after write-downs. For other lending, the interest rate is calculated on the basis of the contractual outstanding amount. This entails that interest income from loans that have been written down either in full or in part is included under "Write-downs on loans and receivables, etc." with regard to the interest on the impaired element of the loans.

Share dividend

Share dividend is recognised in the income statement when the Bank is entitled to receive dividend. This will normally be when the dividend has been adopted at the company's general meeting.

Value adjustments

Value adjustments comprise realised and unrealised value adjustments of assets and liabilities measured at fair value. Exchange rate adjustments and the effect of value adjustments of hedge accounting are also included in the value adjustment.

Staff and administration expenses

Staff costs comprise salaries and social security expenses, pensions, staff accommodation, etc. Costs of services and benefits to employees, including anniversary bonuses, are recognised in step with the employees' performance of the work which entitles them to the services and benefits in question. Costs of incentive programmes are recognised in the statement of income in the financial year to which the cost can be attributed.

Administration expenses include IT expenses, marketing, insurance, etc.

Pension schemes

The Bank has established a defined-benefit severance/pension scheme for the Bank's managing director.

The Bank has established contribution-based pension schemes with all employees. Under the contribution-based pension schemes, fixed contributions are paid to an independent pension institution, or to the Bank's own pension product, "Qimatut". The Bank's own pension product is not managed by the Bank itself, but by the employee or in pool schemes managed by an independent investment company.

Other operating income and operating expenses

Other operating income includes income of a secondary nature in relation to the Bank's activities, including external rent income, and profit and loss on sale of the Bank's properties.

Other operating expenses include expenses of a secondary nature in relation to the Bank's activities, including operation and maintenance of the Bank's head office properties, and contributions to sector solutions.

Tax

Tax for the year, which consists of current tax and changes in deferred tax, is recognised in the statement of income when it relates to the result for the period, and in other comprehensive income or directly to equity when it relates to items recognised directly in other comprehensive income or directly to equity, respectively.

Current tax liabilities are recognised in the balance sheet, compiled as the tax calculated on the taxable income for the year.

On calculating the taxable income, Greenland allows tax deduction of dividend.

Deferred tax is recognised on all temporary difference between accounting values and taxable values of assets and liabilities.

Balance sheet total**Cash balances and demand deposits at central banks**

Comprise cash balances and demand deposits at central banks and are measured at fair value on first recognition, and subsequently measured at amortised cost.

Receivables from and debt to credit institutions and central banks

Comprises receivables from credit institutions and time deposits with central banks. Debt to credit institutions and central banks comprises debt to other credit institutions and central banks. Receivables are measured at fair value. Debt is measured at amortised cost.

Loans and other receivables at amortised cost

Financial instruments that, after first recognition, are recognised on an ongoing basis at amortised cost must, however, on initial recognition be measured at fair value with addition of the transaction costs directly related to the acquisition or issue of the financial instrument, and deduction of the fees and commission received, which are an integral element of the effective interest rate.

Loans are measured at amortised cost, which is usually equivalent to nominal value less establishment fees, etc., and write-downs to meet losses that have arisen, but have not yet been realised.

Reference is also made to the descriptions in Note 2.

Bonds at fair value

Bonds which are traded in active markets are measured at fair value. Fair value is calculated at the closing price for the market in question on the balance sheet date. Redeemed bonds are measured at present value.

If the market for one or several bonds is not liquid, or if there is no publicly recognised price, the Bank determines the fair value by using recognised valuation techniques. These techniques include the use of equivalent recent transactions between independent parties, and analyses of discounted cash flows and other models based on observable market data.

All ongoing value adjustments on listed and unlisted securities are recorded in the income statement under the item "value adjustments".

Shares, etc.

Shares are measured at fair value. The fair value of shares traded in active markets is compiled at the closing price on the balance sheet date.

The fair value of unlisted and non-liquid shares is based on the available information concerning trades and similar, or alternative capital value calculations. Non-liquid and unlisted capital investments for which it is not assessed to be possible to calculate a reliable fair value are measured at cost.

All ongoing value adjustments on listed and unlisted securities are recorded in the income statement under the item "value adjustments".

Assets and deposits in pool schemes

All pool assets and deposits are recognised at fair value in separate balance sheet items. Pool schemes are managed by an external partner. The Bank's own return on pool activities is carried under fee and commission income.

Head office properties

All of the Bank's properties are defined as head office properties, including staff accommodation. Staff accommodation is assessed to be necessary, to ensure the recruitment of new staff.

Properties are measured according to first recognition at re-assessed value. Initial recognition is at cost price. Re-assessment is made sufficiently frequently to avoid significant differences from fair value.

Every second year (most recently in 2024), an independent assessment is obtained of the market value of the Bank's head office property in Nuuk. Every three years (most recently in 2025), an independent assessment is obtained of the market value of a large proportion of the Bank's staff accommodation. The fair value of other head office properties is reassessed annually on the basis of calculated capital values for the expected future cash flows.

Increases in head office properties' reassessed value are recognised in revaluation reserves under equity. Any decrease in value is recognised in the statement of income, except in the case of reversal of revaluations in previous years.

Straight-line depreciation over 25 years is applied to bank buildings, and over 50 years to staff accommodation.

The head office property and newer bank buildings and staff accommodation are written down to scrap value.

Other tangible assets

Machinery and fixtures and fittings are measured at cost less accumulated depreciation. Depreciation is made on a straight-line basis over the assets' expected lifetime, but maximum five years.

Other assets

Other assets are other assets not included under other asset items. The item includes the Bank's capital contribution to BEC Financial Technologies, and the positive market value of derivative financial instruments and income that do not fall due for payment until after the end of the financial year, including interest receivable. With the exception of derivative financial instruments that have a positive value as of the balance sheet date, and which are measured at fair value, the accounting item is measured at cost on first recognition, and thereafter at amortised cost.

Prepayments and deferred expenses

Accruals and deferred income recognised under assets comprise defrayed costs concerning subsequent financial years. Prepayments and deferred income are measured at cost.

Deposits and other liabilities

Financial instruments that, after first recognition, are recognised on an ongoing basis at amortised cost must, however, on initial recognition be measured at fair value with addition of the transaction costs directly related to the acquisition or issue of the financial instrument, and deduction of the fees and commission received, which are an integral element of the effective interest rate.

Deposits and other liabilities comprise deposits with counterparties that are not credit institutions or central banks. Deposits and other liabilities are measured at fair value on first recognition, and are subsequently measured at amortised cost.

Issued bonds at amortised cost

Issued bonds are measured at amortised cost.

Other liabilities

Other liabilities are other liabilities not included under other liability items. The item includes the negative market value of derivative financial instruments and expenses that do not fall due for payment until after the end of the financial year, including interest payable. With the exception of derivative financial instruments that have a negative value as of the balance sheet date, and which are measured at fair value, the accounting item is measured at cost on first recognition, and thereafter at amortised cost.

Prepayments and deferred expenses

Prepayments and deferred expenses recognised under liabilities comprise income received prior to the balance sheet date, but which concerns a subsequent accounting period, including accrued interest and commission. Prepayments and deferred income are measured at cost.

Subordinated debt

Subordinated debt is measured at amortised cost.

Provisions

Obligations and guarantees which are uncertain in terms of size or time of settlement are recognised as provisions when it is probable that the obligation will lead to a claim on the Bank's financial resources, and the obligation can be measured reliably. The obligation is calculated at the present value of the costs that are necessary in order to redeem the obligation. Obligations concerning staff which fall due more than 36 months after the period in which they are earned are discounted.

Contingent liabilities

The item concerns ceded guarantees and undertakings, irrevocable credit undertakings and similar obligations that are not carried to the balance sheet. Guarantees are measured at nominal value, with deduction of loss provisions. Provisions for losses are recognised under "Write-downs on loans and receivables, etc." in the statement of income and under "Provisions for losses on guarantees" in the balance sheet.

Dividend

Dividend is recognised as a liability at the time of its adoption by the Annual General Meeting. The proposed dividend for the financial year is shown as a separate item in relation to equity.

Cash flow statement

The cash flow statement is presented according to the indirect method and shows cash flows concerning operations, investments and financing, and the Bank's liquid assets at the beginning and end of the year.

Cash flows concerning operating activities are compiled as the operating result adjusted for non-cash operating items, change in working capital and corporate tax paid. Cash flows concerning investment activities comprise payments concerning purchase and sale of companies, activities and the purchase, development, improvement and sale, etc. of intangible and tangible fixed assets. Cash flows concerning financing activities comprise changes in the size or structure of the company's share capital, subordinate capital contributions and related costs, purchase of own shares, and payment of dividend.

Liquid assets comprise cash balances and demand deposits with central banks and receivables from credit institutions with an original duration of up to three months, as well as uncollateralised securities which can be immediately converted to cash funds.

Financial highlights and key figures

Financial highlights and key figures are presented in accordance with the definitions and guidelines of the Danish Financial Supervisory Authority.

2. Financial risks and policies and targets for management of financial risks

General

In accordance with Section 16 of the Order on the management and control of banks, etc. the BANK of Greenland must designate a risk officer who is responsible for risk management at the Bank.

On the basis of the Bank's development, a risk director was appointed, who was appointed as responsible for risk management in September 2025.

The BANK of Greenland is exposed to various types of risk. The objective of the Bank's risk management policies is to minimise the losses which may arise as a consequence of e.g. unforeseen development in the financial markets. The Bank works with a balanced risk profile, both in credit terms and on the financial markets. The Bank solely uses derivative financial instruments (derivatives) to cover risks on customer transactions, or to reduce the Bank's interest rate risk.

The BANK of Greenland continuously develops its tools for the identification and management of the risks which affect the Bank on a day-to-day basis. The Board of Directors determines the overall framework and principles for risk and capital management, and receives ongoing reports on the development in risks and use of the allocated risk framework. The day-to-day risk management is undertaken by the Credit Department, with independent control by the Accounting Department.

Credit risks

The most significant risks at the BANK of Greenland concern credit risks. The Bank's risk management policies are therefore arranged in order to ensure that transactions with customers and credit institutions always lie within the framework adopted by the Board of Directors, and the expected level of security. Policies have furthermore been adopted to limit the exposure in relation to any credit institution with which the Bank has activities.

Credit granting

The Bank's Board of Directors has set a framework to ensure that the Bank's lending takes place to customers that, in view of their solvency, earnings and liquidity, are able to fulfil their obligations to the Bank. It is sought to maintain credit quality at a high level, to ensure a stable basis for the future development, and it is sought to achieve a balance between assumed risks and the return achieved by the Bank.

Credit granting is based on responsible risk taking and risk diversification, whereby risk exposure is matched to the borrower's circumstances.

Among other things:

- As a general rule, loans, etc. are only granted to customers that are full customers of the Bank;
- As a general rule, loans, etc. to business customers are only granted to customers with business activities in Greenland;

DKK 1,000	2025	2024
Maximum credit exposure		
Cash balances and demand deposits at central banks	3,017,699	2,080,989
Receivables from credit institutions and central banks	106,698	155,989
Loans and other receivables at amortised cost	4,921,760	5,030,995
Bonds at fair value	1,522,468	1,498,540
Shares, etc.	170,179	150,963
Other assets, including derivative financial instruments	115,390	104,342
Off-balance-sheet items		
Guarantees	1,275,574	1,422,643
Unutilised facilities	1,825,442	1,743,587
Exposure specification		
Lending, cf. Note 11	4,921,760	5,030,995
Guarantees, cf. Note 24	1,275,574	1,422,643
Write-downs and provisions on guarantees, cf. Note 13	219,142	223,936
Other adjustments	-22,991	-21,087
Gross exposure, cf. below	6,393,485	6,656,487

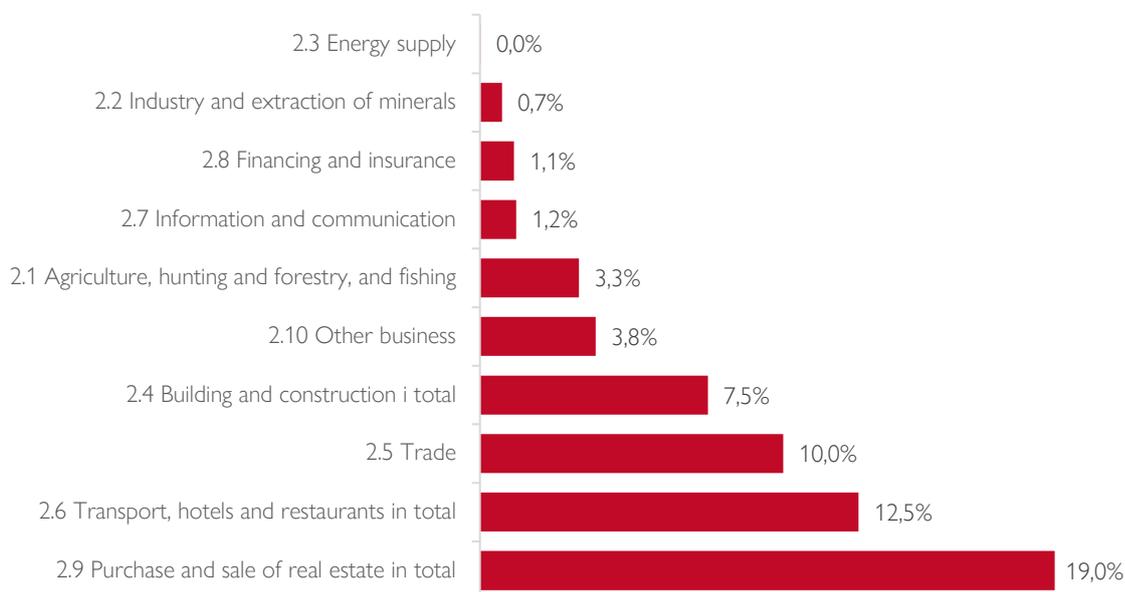
- As a general rule, loans, etc. to private customers are only granted to customers resident in Greenland, or to customers formerly resident in Greenland; and
- Loans, etc. to both private and business customers are solely to customers with satisfactory creditworthiness. Expansion of credit granting to existing customers with OIK (objective indication of credit deterioration) or material indications of weakness will only take place in exceptional cases. The BANK of Greenland is, however, aware of its size and importance to the local area and contributes to a minor extent to the new establishment of small business enterprises with a somewhat higher risk profile, and also supports existing customers where it is assessed that the financial challenges are of a temporary nature.
- Some financing, such as financing of activities abroad, project financing and financing of investment products, is subject to tighter monitoring, and may only be granted by the Bank's managing director or deputy managing director.

Risk diversification

The BANK of Greenland wishes to diversify its credit risk between lending to private customers and lending to business customers. The exposure to business customers may thus not exceed 60% of the total exposure.

Risk diversification to industries with a reasonable spread across sectors is also required. Lending to individual sectors exceeding 15% is thus not preferred, with the exception of "Real estate" and "Completion of construction projects", to which the overall exposure may amount to up to 25%.

Figure 2
Lending and guarantee debtors by industries under business

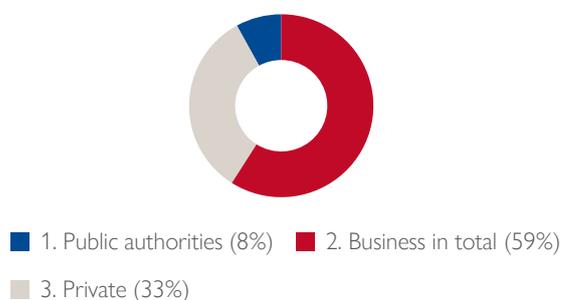


Standard terms

Business customers: Exposures can typically be terminated without notice by the Bank. The customer is normally required to provide the Bank with financial information on an ongoing basis.

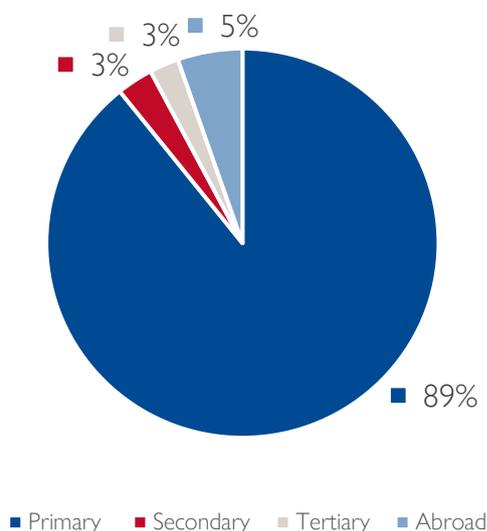
Private customers: The typical term of notice from the Bank is two months. Financial information is normally required for new loans, and changes to existing loans.

Figure 1
Lending and guarantee debtors by sectors



The geographical spread of the Bank's lending and guarantees in Greenland is distributed on the five main municipal towns (primary), smaller towns (secondary), settlements and villages (tertiary) and abroad (other), cf. Figure 3. According to the Bank's business model, lending and guarantees outside Greenland are maximised at 10% of total lending and guarantees.

Figure 3
Geographical spread of lending and guarantees



Authorisation procedures

Credits, loans and guarantees are authorised at various levels in the Bank, depending on the exposures’ size, risk and type. On financing a number of separate activities and on authorisation for customers subject to value adjustment, the authorisation procedure is stricter and, irrespective of size, authorisations can only be made in the Bank’s central credit department, and in some cases solely by the Bank’s managing director or deputy managing director. Large exposures are authorised by the Bank’s Board of Directors.

Monitoring

Management and monitoring of credit granting and compliance with the Bank’s credit policy take place on a centralised basis in the Bank’s credit department.

The Bank’s credit policy is complied with via review of the authorisations at credit department level and higher, and via random sample controls in the individual departments.

Collateral security

The BANK of Greenland wishes to have adequate collateral security for its credit granting.

For financing, the collateral security primarily consists of:

- Mortgages on private residential properties, primarily in Greenland;
- Mortgages on commercial properties for own use;
- Mortgages on rental properties (residential and commercial);

- Mortgages on movable property, cars, boats, snow scooters, operating equipment, etc.;
- Mortgages on fishing vessels;
- Mortgages on fishing rights;
- Mortgages on easily negotiable securities;
- Surety pledges;
- Assignments; and
- Mortgages on shares in the companies to which credit has been granted

As a general rule, the valuation of the collateral security is based on fair value, calculated with a safety margin between 10% and 50%

The “haircuts” made for the individual collateral are assessed to be sufficient to cover the costs of acquisition and realisation of the individual security.

There is no public property valuation in Greenland, and the assessed valuations are therefore based on the Bank’s current experience of market values for the trades completed.

The BANK of Greenland is involved in 70-80% of all property transactions in Greenland and therefore has a large body of experience on which to base this assessment.

The Bank continuously assesses whether there have been changes in the quality of security and other conditions as a consequence of impairment or changes in practice concerning collateral security. There have been no changes during the year in the practice for the valuation of security, or the practice for handling security.

Write-down of loans and other receivables and provisions for guarantees and loan undertakings.

The calculation of the expected credit loss depends on whether there has been a significant increase in the credit risk since initial recognition. The calculation of write-downs adheres to a model with three stages:

- Stage1 concerns assets for which there has been no significant increase in credit risk. In this stage, the write-downs equivalent to the expected 12-month credit loss are calculated.
- Stage 2 concerns assets for which there has been a significant increase in credit risk. In this stage, the write-downs equivalent to the expected credit loss in the asset’s lifetime are calculated.
- Stage 3 concerns credit-impaired assets. In this stage, the write-downs are calculated on the basis of an individual assessment of the credit loss in the asset’s lifetime.

There have been no changes in significant assumptions and valuation methods during the financial period.

Write-downs on loans and receivables are carried to an adjustment account that is set off under lending, and provisions for guarantees and non-utilised credit undertakings are recognised as a liability. In the statement of income, write-downs and provisions on guarantees and credit undertakings are recognised collectively as write-downs on loans.

Division into stages

The division into stages is based on the BANK of Greenland's rating models in the form of PD models developed by BEC and internal credit management. The following principles are the basis for the division into stages 2 and 3.

Significant increase in credit risk (Stage 2)

Lending and other receivables are categorised according to whether the probability of default (PD) within 12 months on initial recognition is either under 1.0%, or 1.0% and above.

On assessment of the development in credit risk, it is assumed that there has been a significant increase in the credit risk in relation to the date of initial recognition when:

Under 1%

The probability of default (PD) during the remaining maturity increases by 100%, and 12-month PD increases by 0.5 percentage point when PD on initial recognition was below 1%.

1% and higher

The probability of default (PD) during the remaining term to maturity increases by 100% or the 12-month PD increases by 2.0 percentage points when PD on initial recognition was above 1%. In addition, the credit risk is assessed to have increased considerably if the borrower has been in arrears for more than 30 days, without any special circumstances allowing this to be disregarded.

If the relevant 12 months' PD exceeds 5%, the exposure will move to stage 2.

Financial assets for which a significant increase in the credit risk has occurred are, however, placed in the weak part of stage 2 in the following situations:

An increase in PD for the expected remaining term to maturity of 100%, or an increase in 12 months' PD of 0.5% point, when 12 months' PD on initial recognition was below 1% and the current 12 months' PD is 5% or higher. An increase in PD for the expected remaining term to maturity of 100%, or an

increase in 12 months' PD of 2.0% points, when 12 months' PD on initial recognition was above 1% and the current 12 months' PD is 5% or higher.

The financial asset has been overdrawn for more than 30 days and the current 12-month PD is 5% or higher.

Credit-impaired assets (Stage 3)

Lending and other receivables measured at amortised cost, and guarantees and credit undertakings, may be credit-impaired if one or several of the following events have occurred:

- The borrower is in considerable financial difficulties.
- The borrower is in breach of contract, for example due to failure to fulfil payment obligations for repayments and interest.
- When the Bank or other lenders grant the borrower an easing of terms that would not have been considered if the borrower was not in financial difficulties.
- When it is probable that the borrower will file for bankruptcy or be subject to other financial restructuring.
- Lapse of an asset.

Furthermore, the loan is at the latest assessed to be credit-impaired if the borrower has been in arrears for more than 90 days.

Significant lending is assessed individually for any indication of credit impairment at each closure of the accounts. The Bank makes an individual loss risk statement for exposures in stage 3, where the risk mitigating collateral value amounts to more than DKK 100,000, while other exposures are modelled. When calculating stage 3 write-downs, the Bank does not use payment series, so that write-downs are subject to prudent assessment.

Definition of default

The determination of when a borrower has defaulted on its obligations is decisive to the compilation of the expected credit loss. The Bank considers a borrower to have defaulted on its obligations if

- the borrower is in more than 90 days' arrears for significant elements of their obligations.
- It is unlikely that the borrower can repay the obligations in full.

The assessment of whether a borrower is in arrears concerns both overdrafts exceeding the fixed lines and failure to pay either instalments or interest. The assessment of whether it is unlikely that a borrower can fulfil its payment obligations is based on both qualitative and quantitative indicators. A qualitative indicator for business loans might be, for example, whether

there is any breach of covenants. Quantitative indicators might, for example, be an assessment of whether a borrower can fulfil its obligations for other loans, or is in arrears for other loans.

Depreciation and write-downs

Write-downs in stages 1 and 2:

Calculation of the expected credit loss in stages 1 and 2 is based on a write-down model. The write-down model is based on the probability of default (PD), expected credit exposure at default (EAD) and expected share of loss given default (LGD). The model incorporates historical observations for the individual inputs and also forward-looking information, including macroeconomic conditions.

Determination of input to the write-down model

Input to the write-down model is based on the historical information developed by the Bank's data centre using statistic models.

The probability of default (PD) is determined on the basis of observed defaults over a period of time, reflecting an economic cycle, after which the observed defaults are converted to an estimated probability applying to a specific time (12-month PD). Lifetime PD is compiled on the basis of 12-month PD according to mathematical models and projections of 12-month PD. This is based on expectations of the future and the development in the loans.

The determination of credit exposure at default (EAD) is based on the expected change in the exposure after the balance sheet date, including the payment of interest and instalments, and further drawing on the credit undertaking. Bankens EDB Central's determination of EAD is based on historical information concerning expected changes in exposures during the loans' lifetime within the individual loan's limits. Account is thereby taken of the redemption profile, early redemptions and changes in the use of credit facilities.

The expected loss given default (LGD) is estimated on the basis of the difference between the contractual cash flows and the cash flows which the Bank expects to receive after default, including cash flows on realisation of security. The determination of LGD is based on the expected collateral values less costs of sales, as well as cash flows that a borrower might pay in addition to collateral. Account is also taken of any price reduction if the collateral is to be realised within a shorter period. The expected cash flows are discounted at present value. The present value is calculated for fixed-interest-rate loans and receivables based on the originally-fixed effective interest rate. For variable-

interest-rate loans and receivables, the current effective interest rate on the loan or receivable is used.

Forward-looking macroeconomic scenarios

Forward-looking information is included in the calculation of expected losses in the form of macroeconomic prognoses and projections. The Bank uses a model that is developed and maintained by LOPI – the Association of Local Banks, Savings Banks and Cooperative Banks in Denmark.

The model is based on the determination of historical relations between write-downs within a number of sectors and industries, and a number of explanatory macroeconomic variables. These relations are then subject to estimates of the macroeconomic variables, based on prognoses from consistent sources such as the Economic Council, Danmarks Nationalbank, et al. whereby the prognoses generally extend two years ahead, and include such variables as the increase in public consumption, increase in GDP, interest, etc. The prognoses are based on Danish figures. The Danish forecasts are currently assessed to be applicable to conditions in Greenland, which is, however, subject to some uncertainty – see also the section on managerial additions.

The expected write-downs are thereby calculated for up to two years ahead within the individual sectors and industries, while for maturities beyond two years linear interpolation is made between the write-down ratio for year 2 and the write-down ratio in year 10, where in model-related terms a "long-term equilibrium" is assumed to occur, compiled as a structural level from the prognoses. Maturities beyond ten years are in model-related terms assigned the same write-down ratio as the long-term equilibrium in year 10. Finally, the calculated write-down ratios are transformed into adjustment factors that correct the data centre's estimates in the individual sectors and industries. The institution makes adjustments to these, based on own expectations of the future, and according to the composition of the loans.

Managerial additions

Both IFRS 9 and the Danish Executive Order on Financial Statements state that the future outlook must be included in the calculation of total write-downs. On each balance sheet date the Bank therefore assesses the need for adjustments to the expected credit losses, calculated on the basis of the models applied in stages 1 and 2. This takes place on the basis of the calculated write-downs, and reflects the management's assessment of a potentially greater risk on the Bank's exposures than is justified by the historical write-downs.

In both 2024 and 2025, the managerial addition is based primarily on uncertainties concerning model calculations, risk

assessment at sector level, macroeconomic impacts and geopolitical uncertainty.

As a consequence of geopolitical-, inflation- and cyclical uncertainty, the BANK of Greenland has made a risk assessment at sector level, where a general change in creditworthiness at portfolio level, and the derived increased impairment write-downs, are estimated. On this basis, the Bank has allocated a managerial addition of DKK 41.1 million, compared to an estimate of DKK 42.3 million in 2024. This also includes a method risk supplement.

Managerial additions by stages

	Stage 1 TDKK	Stage 2 and 2SVAG TDKK	Managerial additions total TDKK
2025			
Business	0	23,980	23,980
Private	0	17,169	17,169
In total	0	41,149	41,149

	Stage 1 TDKK	Stage 2 and 2SVAG TDKK	Managerial additions total TDKK
2024			
Business	0	25,240	25,240
Private	0	17,022	17,022
In total	0	42,262	42,262

Write-downs in stage 3:

Write-downs on credit-impaired loans are compiled as the expected loss based on a number of possible outcomes for the borrower's situation and the Bank's credit handling. The expected loss is calculated by weighting together the calculated loss related to each scenario, based on the probability of the scenario occurring. For each scenario, the write-down is compiled on the basis of the difference between the accounting value before write-down and the present value of the expected future payments on the loan.

For the calculation of current value, fixed-interest-rate loans and receivables are subject to the effective interest rate originally determined. For variable-interest-rate loans and receivables, the current effective interest rate on the loan or receivable is used.

The general rule is that the write-down comprises the exposure, less calculated security.

Write-offs

Financial assets are written off in full or in part if there is no longer any reasonable expectation that the outstanding amount will be paid. On write-off, the asset will cease to be carried to the balance sheet in full or in part.

The time at which there is no longer assessed to be any reasonable expectation that outstanding amounts will be paid in, is based on the concrete circumstances of the individual borrower. This might be a lack of earnings, equity, etc.

Before write-off is made, the borrower will have been subject to an extended collection process, with attempts to achieve voluntary payment arrangements, realisation of assets, etc.

After write-off has taken place, the debt collection process will continue. In the case of companies, typically until the borrower has completed bankruptcy proceedings, composition with creditors, etc. For private individuals, continued attempts are made to establish voluntary payment schemes and possible legal collection.

Exposure and write-downs by sector

	Gross exposure	Ratio of total gross exposure	Total write-downs	Ratio of total write-downs
	DKK 1,000	%	DKK 1,000	%
2025				
Public	509,691	8	178	0
Business:				
Agriculture and fisheries	208,896	3	6,994	3
Industry and extraction of minerals	46,436	1	405	0
Energy supply	1,148	0	81	0
Construction and civil engineering	481,069	8	23,358	11
Trade	640,161	10	22,044	10
Transport, restaurants and hotels	798,799	12	16,935	8
Information and communication	76,557	1	132	0
Financing and insurance	71,756	1	182	0
Real estate	1,212,936	19	67,274	30
Other business	243,942	4	24,686	11
Business in total	3,781,700	59	162,091	73
Private	2,102,094	33	61,012	27
In total	6,393,485	100	223,281	100
	Gross exposure	Ratio of total gross exposure	Total write-downs	Ratio of total write-downs
	DKK 1,000	%	DKK 1,000	%
2024				
Public	849,300	13	672	0
Business:				
Agriculture and fisheries	159,723	2	6,272	3
Industry and extraction of minerals	73,127	1	2,099	1
Energy supply	20,528	0	61	0
Construction and civil engineering	519,760	8	37,032	17
Trade	645,469	10	22,157	10
Transport, restaurants and hotels	629,783	9	11,542	5
Information and communication	2,458	0	32	0
Financing and insurance	29,127	0	194	0
Real estate	1,317,057	20	60,044	27
Other business	312,961	5	18,650	8
Business in total	3,709,993	56	158,083	71
Private	2,097,194	32	65,181	29
In total	6,656,487	100	223,936	100

Credit exposure distributed on classification, creditworthiness and stages

Classification The Bank of Greenland	Classification Danish Financial Supervisory Authority	Stage 1 TDKK	Stage 2 TDKK	Stage 2SVAG TDKK	Stage 3 TDKK	In total TDKK
Rating 1 – 3	3/2A	2,944,428	44,176	0	0	2,988,604
Rating 4 – 8	2B	2,253,625	380,027	379,476	0	3,013,128
Rating 9 – 10	2C	0	0	80,332	0	80,332
Rating 11	1	0	0	0	311,421	311,421
In total		5,198,053	424,203	459,808	311,421	6,393,485

Classification BANK of Greenland

- Ratings 1-3 correspond to the Danish FSA's creditworthiness scale 3/2A – Customers with undoubtedly good creditworthiness and customers with normal creditworthiness.
- Ratings 4-8 correspond to the Danish FSA's creditworthiness scale 2B – Customers that do not fulfil the criteria in 1-3, but which on the other hand do not have significant signs of weakness. The debt servicing ability is good, although the key financial indicators may be weak.
- Ratings 9-10 Customers with significant signs of weakness, but without OIK occurring. The customer's debt servicing ability is less satisfactory and the customer is economically vulnerable/has weak key indicators.
- Rating 11 Customers with OIK. Customers with and without loss risk compilation (write-down). The debt servicing ability is poor or non-existent, and there is an increased risk of losses.

Credit exposure to industries broken down by stages:

	Stage 1 TDKK	Stage 2 TDKK	Stage 2SVAG TDKK	Stage 3 TDKK	In total TDKK
Public	509,557	0	134	0	509,691
Business:					
Agriculture and fisheries	168,899	22,686	11,132	6,179	208,896
Industry and extraction of minerals	40,624	982	4,791	39	46,436
Energy supply	226	228	693	0	1,147
Construction and civil engineering	350,143	52,243	55,223	23,460	481,069
Trade	573,404	23,058	20,664	23,036	640,162
Transport, restaurants and hotels	630,109	45,815	117,334	5,541	798,799
Information and communication	75,849	165	542	1	76,557
Financing and insurance	28,744	26,868	16,144	0	71,756
Real estate	895,810	86,859	98,806	131,461	1,212,936
Other business	143,334	9,592	50,020	40,996	243,942
Business in total	2,907,142	268,496	375,349	230,713	3,781,700
Private	1,781,354	155,707	84,325	80,708	2,102,094
In total	5,198,053	424,203	459,808	311,421	6,393,485

Reason for value adjustment of exposures in stage 3

DKK 1,000	Credit exposures before write-downs	Write-downs	Accounting value	Collateral security	Maximum credit risk
2025					
Bankruptcy	69,499	40,075	29,424	6,676	22,748
Collection	12,408	9,085	3,323	3,173	150
Financial difficulties	229,514	90,816	138,698	98,551	40,147
In total	311,421	139,976	171,445	108,400	63,045
2024					
Bankruptcy	4,909	3,074	1,835	300	1,535
Collection	15,290	12,063	3,227	2,871	356
Financial difficulties	256,411	104,673	151,738	68,797	82,941
In total	276,610	119,810	156,800	71,968	84,832

Credit quality of exposures in general

Arrears or overdrafts > DKK 1,000

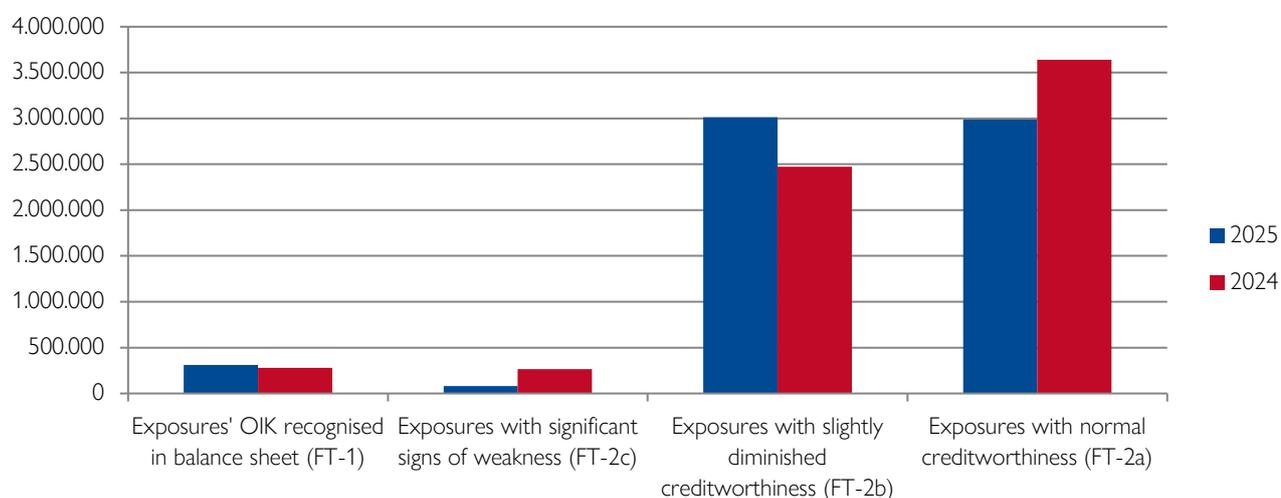
In DKK 1,000	2025	2024
0-30 days	2,384	1,018
31-60 days	409	378
61-90 days	226	107
> 90 days	3,877	8,343
In total	6,896	9,846

The BANK of Greenland applies a rating model that divides borrowers into 11 categories. The division is according to criteria such as the borrower's earnings, assets, account behaviour, etc. The 11 categories are then assigned to the Danish FSA's creditworthiness scale.

Credit exposures before write-downs distributed by creditworthiness

Creditworthiness distributed on the Danish FSA's categories from 3 to 1, where category 3 is included in 2a.

DKK 1,000



The BANK of Greenland has no “non-impaired loans or guarantees” for which the loan terms have been eased as a consequence of a borrower’s financial difficulties.

Market risk

The BANK of Greenland’s market risk is managed by fixed limits for a large number of risk measurements. Monitoring of market risk and of compliance with the adopted framework is undertaken on a daily basis by the Bank’s Markets Department. The Executive Management receives reports on a daily basis if risks are close to limits. The Board of Directors receives reports on the development in market risks on a monthly basis. The reports include the month-end value and are prepared by the Bank’s Accounting Department. The Accounting Department also prepares reports on a random day of the month, which are reported to the Executive Management.

Interest rate risk

The Board of Directors’ guidelines for the Executive Management include a maximum interest rate risk for the Bank. The Bank’s objective is to hold the interest rate risk below 3%. The interest rate risk is calculated in accordance with the Danish Financial Supervisory Authority’s guidelines.

The Bank has set a minor limit of DKK 50 million for uncovered lending at fixed interest rates. Besides this, all of the Bank’s lending at fixed interest rates is covered.

The BANK of Greenland has outsourced the portfolio management of the Bank’s bond holdings to an external portfolio manager. The portfolio manager is subject to the aforementioned risk framework and works on the basis of a duration of 0.75-1.75 years. Reference is made to Notes 27 and 30.

Share risk

The Board of Directors’ guidelines for the Executive Management include a maximum shareholding (excluding sector shares) for the risk which the Bank may assume. The Bank currently does not hold listed shares. Reference is made to Note 15.

Currency risk

The BANK of Greenland has adopted guidelines for the currencies in which exposure is permitted, and the maximum exposure for each currency. All significant currency exposures are covered. The Bank had no significant currency exposures at the end of 2025. Reference is made to Note 26 for further information on currency risks.

Liquidity risk

The BANK of Greenland’s liquidity reserves are managed by maintaining sufficient liquid funds, ultra-liquid securities (levels 1 and 2), and the ability to close market positions. The liquid reserves are determined on the basis of an objective to ensure stable liquid reserves. The Bank seeks to have a constant LCR ratio at the level of 175-225. LCR for the BANK of Greenland is calculated at 297.2 % as at the end of 2025. Reference is also made to key figures for the LCR (Liquidity Coverage Ratio), as well as the key figures for lending as a ratio of deposits in Note 32.

Operational risk

In order to reduce losses due to operational risks, the Bank has drawn up policies and written procedures. The Bank’s policy is to continuously limit the operational risks, of which the following are examples. The Bank’s procedures are reviewed and reassessed at least once every other year, unless there are changes in a procedure due to e.g. legislative changes, procedural changes, internal rules, etc. Operational events that have, or could have, resulted in a loss of a certain size, are registered and, at least once a year, the Board of Directors receives a report on operational events. Significant individual events are also reported.

By ensuring a clear division of organisational responsibility, with the necessary and adequate separation of functions, the operational risks can be limited.

The BANK of Greenland considers dependence on key employees to be a focus area. Written procedures have been drawn up in order to minimise dependence on individuals. There is continuous focus on reducing dependence on individual persons in key roles in the Bank, and the Bank continuously assesses the outsourcing of operating areas that are not important to the Bank’s competitiveness. The Bank also has great focus on continuously improving the internal and external recruitment basis. The BANK of Greenland wishes to have a strong control environment and has therefore also drawn up a number of standards for how control is to take place.

The BANK of Greenland has drawn up policies and emergency plans for physical disasters and IT outages. IT outages may disrupt operations. In the case of a geographically limited outage in the branch network, the other branches will be able to continue operations. For any outage at the head office, emergency plans and contingency measures have been drawn up, and it will be possible to establish temporary operations within a short time from a Centre II established in external premises. Customer-oriented temporary operations can be established within one day.

The Bank's IT operations take place at BEC Financial Technologies (BEC). The Bank closely follows the instructions and recommendations received, just as the Bank does not undertake independent development of IT systems.

The BANK of Greenland has entered into cooperation on internal auditing with Arbejdernes Landsbank A/S and the Bank has also appointed a legal staff member as compliance officer. This will help to ensure that the Bank complies with both external and internal requirements at all times.

DKK 1,000	2025	2024
3. Interest income		
Receivables from credit institutions and central banks	41,921	60,423
Lending and other receivables	298,640	376,161
Bonds	28,700	39,359
Foreign exchange, interest rate, equity, commodity and other contracts, as well as derivative financial instruments	298	966
Total interest income	369,559	476,909
4. Interest expenses		
Credit institutions and central banks	117	106
Deposits and other liabilities	51,195	115,112
Issued bonds	1,935	1,118
Subordinated debt	1,003	620
Total interest expenses	54,250	116,956
5. Fees and commission income		
Securities and securities accounts	11,492	9,413
Payment settlement	36,249	36,464
Loan transaction fees	3,677	3,752
Guarantee commission	28,098	30,181
Other fees and commission	22,883	22,319
Total fee and commission income	102,399	102,129
6. Value adjustments		
Lending at fair value	-631	1,090
Bonds	7,514	15,989
Shares	4,699	6,351
Currency	6,805	6,235
Foreign exchange, interest rate, equities, commodities and other contracts, as well as derivative financial instruments	637	-1,087
Assets connected to pool schemes	12,562	59,703
Deposits in pool schemes	-12,562	-59,703
Total value adjustments	19,024	28,578

Note 3-6

The Bank has not distributed net interest and fee income and value adjustments on areas of activity and geographical markets. It is assessed that there are no significant deviations between the Bank's activities and geographical areas, and no segment data is therefore disclosed.

DKK 1,000

2025

2024

7. Staff and administrative expenses

Staff expenses		
Salaries	110,571	103,989
Other staff expenses	2,684	2,832
Pensions	14,128	12,826
Social security expenses	1,663	277
In total	129,046	119,924
Other administration expenses	115,339	106,438
The average number of employees in the financial year, converted to full-time employees	156.1	153.8
Of which salaries and remuneration to the Board of Directors and the Executive Management (1 member of the executive board and 9 members of the board of directors)	6,483	6,444
The board of directors does not receive variable remuneration. The Executive Management receives variable remuneration in the form of defined-benefit severance/pension scheme. Reference is made to the bank's remuneration report: https://www.banken.gl/en/about-us/board-of-directors/remuneration-committee/		
Five other employees whose activities have a significant influence on the Bank's risk profile:		
Fixed remuneration, including free car and other benefits	6,734	6,122
Variable remuneration	108	210
Pension	815	769

8. Audit fees

Statutory audit of the annual financial statements	1,100	1,033
Other declarations with assurance	140	136
Other services	347	155
Total fees to the auditors elected by the Annual General Meeting, who perform the statutory audit	1,587	1,324

Non-auditing services are provided by Deloitte, Statsautoriseret Revisionspartnerselskab and comprise fees for advice on SIFI- and accounting conditions.

9. Tax on the profit for the year

Tax on the profit for the year is calculated as follows:		
Current tax	9,639	16,579
Deferred tax	-9,103	20,110
In total	536	36,689
Tax on the profit for the year is broken down as follows:		
Calculated 25% tax on the profit for the year	45,347	61,425
Other adjustments	189	14
Tax value of dividend deduction	-45,000	-24,750
In total	536	36,689
Effective tax rate	0.3%	14.9%
Corporate tax paid in 2025 amounts to TDKK 4,750.		

DKK 1,000	2025	2024
10. Receivables from credit institutions and central banks		
On demand	91,698	64,989
Up to and including 3 months	10,000	91,000
Over 3 months and up to and including 1 year	5,000	0
In total	106,698	155,989
Receivables from credit institutions	106,698	155,989
In total	106,698	155,989

11. Lending		
Write-downs on loans, guarantees and non-utilised credit facilities		
New write-downs concerning new facilities during the year	14,062	12,926
Reversal of write-downs concerning redeemed facilities	-13,582	-21,195
Net write-downs during the year as a consequence of changes in the credit risk	16,491	27,237
Losses without preceding write-downs	65	249
Received for claims previously written off	-1,497	-308
Recognised in the statement of income	15,539	18,909
Lending at amortised cost	4,921,760	5,030,995
Total lending by remaining term to maturity:		
On demand	1,340,403	1,786,792
Up to and including 3 months	183,779	114,910
Over 3 months and up to and including 1 year	475,422	403,718
Over 1 year and up to and including 5 years	1,577,618	1,436,262
Over 5 years	1,344,538	1,289,313
In total	4,921,760	5,030,995

DKK 1,000	Stage 1	Stage 2	Stage 3	Total
11 Lending - continued				
Write-downs on loans				
31.12.2025				
Start of the period	13,779	88,282	110,634	212,695
New write-downs concerning new facilities during the year	2,345	5,759	5,408	13,512
Reversal of write-downs concerning redeemed facilities	-1,775	-1,776	-4,103	-7,654
Change in write-downs at the beginning of the year – transfer to stage 1	14,261	-14,037	-224	0
Change in write-downs at the beginning of the year – transfer to stage 2	-1,359	2,086	-727	0
Change in write-downs at the beginning of the year – transfer to stage 3	-17	-14,638	14,655	0
Net write-downs as a consequence of changes in the credit risk	-18,197	3,685	21,603	7,091
Previously written down, now finally lost	0	0	-24,833	-24,833
Interest on written-down facilities	0	0	5,465	5,465
Write-downs in total	9,037	69,361	127,878	206,276

DKK 1,000

	Stage 1	Stage 2	Stage 3	Total
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Write-downs on guarantees**31.12.2025**

Start of the period	614	1,451	9,176	11,241
New write-downs concerning new facilities during the year	81	71	7	159
Reversal of write-downs concerning redeemed facilities	-6	-3	-9	-18
Change in write-downs at the beginning of the year – transfer to stage 1	629	-629	0	0
Change in write-downs at the beginning of the year – transfer to stage 2	-59	102	-43	0
Change in write-downs at the beginning of the year – transfer to stage 3	0	-331	331	0
Net write-downs as a consequence of changes in the credit risk	-953	-200	2,637	1,484
Write-downs in total	306	461	12,099	12,866

Write-downs on non-utilised drawing rights**31.12.2025**

Start of the period	405	802	538	1,745
New write-downs concerning new facilities during the year	306	81	4	391
Reversal of write-downs concerning redeemed facilities	-243	-648	-5,019	-5,910
Change in write-downs at the beginning of the year – transfer to stage 1	12	-12	0	0
Change in write-downs at the beginning of the year – transfer to stage 2	-6	42	-38	-2
Change in write-downs at the beginning of the year – transfer to stage 3	0	-363	363	0
Net write-downs as a consequence of changes in the credit risk	176	901	6,838	7,915
Write-downs in total	650	803	2,686	4,139

Write-downs on loans**31.12.2024**

Start of the period	27,301	78,003	90,562	195,866
New write-downs concerning new facilities during the year	2,575	5,729	3,898	12,202
Reversal of write-downs concerning redeemed facilities	-2,859	-7,903	-7,801	-18,563
Change in write-downs at the beginning of the year – transfer to stage 1	7,852	-5,596	-2,256	0
Change in write-downs at the beginning of the year – transfer to stage 2	-1,091	7,193	-6,102	0
Change in write-downs at the beginning of the year – transfer to stage 3	-11	-4,128	4,139	0
Net write-downs as a consequence of changes in the credit risk	-19,988	14,984	29,789	24,785
Previously written down, now finally lost			-6,449	-6,449
Interest on written-down facilities			4,854	4,854
Write-downs in total	13,779	88,282	110,634	212,695

DKK 1,000	Stage 1	Stage 2	Stage 3	Total
Write-downs on guarantees				
31.12.2024				
Start of the period	1,096	2,695	5,942	9,733
New write-downs concerning new facilities during the year	183	234	79	496
Reversal of write-downs concerning redeemed facilities	-2	-3	-16	-21
Change in write-downs at the beginning of the year – transfer to stage 1	434	-249	-185	0
Change in write-downs at the beginning of the year – transfer to stage 2	-180	3,243	-3,063	0
Change in write-downs at the beginning of the year – transfer to stage 3	0	-193	193	0
Net write-downs as a consequence of changes in the credit risk	-917	-4,276	6,226	1,033
Write-downs in total	614	1,451	9,176	11,241

Write-downs on non-utilised drawing rights

31.12.2024				
Start of the period	345	517	1,847	2,709
New write-downs concerning new facilities during the year	139	89	0	228
Reversal of write-downs concerning redeemed facilities	-279	-488	-1,844	-2,611
Change in write-downs at the beginning of the year – transfer to stage 1	249	-122	-127	0
Change in write-downs at the beginning of the year – transfer to stage 2	-9	81	-72	0
Change in write-downs at the beginning of the year – transfer to stage 3	0	0	0	0
Net write-downs as a consequence of changes in the credit risk	-40	725	734	1,419
Write-downs in total	405	802	538	1,745

DKK 1,000	2025	2024
12. Bonds at fair value		
Mortgage-credit bonds	1,522,468	1,498,540
In total	1,522,468	1,498,540
Of which nominal TDKK 50,000 deposited as security for debt to Danmarks Nationalbank		

13. Shares, etc.		
Unlisted shares included at fair value	170,179	150,963
Reassessed value, year-end	170,179	150,963

DKK 1,000	2025	2024
14. Assets connected to pool schemes		
Investment associations	780,013	675,642
Non-invested funds	58	123
In total	780,071	675,765
15. Head office properties		
Reassessed value, beginning of year	310,860	298,142
Additions during the year, including improvements	17,333	12,843
Write-offs	-6,841	-6,611
Value changes recognised in other comprehensive income	6,164	6,085
Value changes recognised in the statement of income	200	401
Reassessed value, year-end	327,716	310,860
<p>There is no public property valuation in Greenland. In 2025, to support the assessment of the valuation, an independent expert assessment of the market value of multiple of the Bank's staff accommodation in Nuuk was obtained. The assessments have resulted in net impairments of TDKK 346. No expert assessment was obtained for the assessment of the Bank's other domicile properties.</p>		
16. Other tangible assets		
Cost, beginning of year	37,465	33,812
Additions during the year, including improvements	3,181	3,653
Disposals during the year	-848	0
Cost, year-end	39,798	37,465
Depreciation and write-downs, beginning of year	29,838	27,032
Depreciation for the year	2,980	2,806
Reversal of depreciation concerning disposals	-427	0
Depreciation and write-downs, year-end	32,391	29,838
Accounting value, year-end	7,407	7,627
17. Debt to credit institutions and central banks		
On demand	21,147	15,698
In total	21,147	15,698
Debt to central banks	18,010	12,565
Debt to credit institutions	3,137	3,133
In total	21,147	15,698

DKK 1,000

2025

2024

18. Deposits and other liabilities

On demand	6,534,912	5,874,580
Up to 3 months	30,948	103,085
Over 3 months and up to and including 1 year	530,284	702,639
Over 1 year and up to and including 5 years	313,208	0
Over 5 years	464,621	472,503
In total	7,873,973	7,152,807
On demand	6,534,912	5,874,580
On terms of notice	1,023,398	976,847
Special deposit conditions	315,663	301,380
In total	7,873,973	7,152,807

19. Issued bonds at amortised cost

Bond issue	348,197	273,569
In total	348,197	273,569
Distribution in remaining duration		
Over 3 months and up to and including 1 year	24,969	49,923
Over 1 year and up to and including 5 years	323,228	223,646
In total	348,197	273,569
Loan raised as Senior Non-Preferred, nominally	-	50,000
The loan was raised as Senior Non-Preferred on 27 October 2021 and falls due for full redemption on 27 October 2026. The Bank has opted the possibility of early redemption in 2025.		
Loan raised as Senior Non-Preferred, nominally	25,000	25,000
The loan was raised as Senior Non-Preferred on 2 September 2022 and falls due for full redemption on 2 September 2027. The Bank has the option of early redemption as from 2 September 2026.		
Loan raised as Senior Non-Preferred, nominally	100,000	100,000
The loan was raised as Senior Non-Preferred on 1 December 2023 and falls due for full redemption on 1 December 2030. The Bank has the option of early redemption as from 1 December 2027.		
Loan raised as Senior Non-Preferred, nominally	100,000	100,000
The loan was raised as Senior Non-Preferred on 20 November 2024 and falls due for full redemption on 20 November 2031. The Bank has the option of early redemption as from 20 November 2028.		
Loan raised as Senior Non-Preferred, nominally	125,000	-
The loan was raised as Senior Non-Preferred on 17 September 2025 and falls due for full redemption on 17 September 2032. The Bank has the option of early redemption as from 17 September 2029.		

DKK 1,000

2025**2024****20. Provisions for deferred tax**

The year's changes in deferred tax can be summarised as follows:

Deferred tax, beginning of year	106,393	84,762
The year's deferred tax recognised in the statement of income for the year	-9,103	20,110
Adjustment of deferred tax concerning equity items	1,541	1,521
In total	98,831	106,393

Deferred tax concerns:

Head office properties	62,242	60,796
Operating equipment	589	597
Proposed dividend for the financial year	36,000	45,000
In total	98,831	106,393

21. Subordinated debt

Capital certificate as below	143,843	104,022
In total	143,843	104,022

Subordinated debt included in the capital base according to CRR	143,843	104,022
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Loan raised as subordinated debt, nominally	25,000	25,000
Interest rate, fixed rate	6.197%	6.197%

The loan was raised on 2 September 2022 and falls due for full redemption on 2 September 2032. The Bank has the option of early redemption as from 2 September 2027.

Loan raised as subordinated debt, nominally	40,000	40,000
Interest rate, floating rate (CIBOR 6 with an addition of 400bp.)	6.200%	6.717%

The loan was raised on 1 June 2023 and falls due for full redemption on 1 June 2033. The Bank has the option of early redemption as from 1 June 2028.

Loan raised as subordinated debt, nominally	40,000	40,000
Interest rate, floating rate (CIBOR 6 with an addition of 325bp.)	5.407%	6.633%

The loan was raised on 12 September 2024 and falls due for full redemption on 12 September 2034. The Bank has the option of early redemption as from 12 September 2029.

Loan raised as subordinated debt, nominally	40,000	-
Interest rate, floating rate (CIBOR 6 with an addition of 300bp.)	5.200%	-

The loan was raised on 28 May 2025 and falls due for full redemption on 28 May 2035. The Bank has the option of early redemption as from 28 May 2030.

DKK 1,000

2025**2024****22. Share capital**

The Bank's share capital consists of 1,800,000 shares of DKK 100. The shares are paid-up in full. The shares are not divided into classes, and no shares entail special rights. There have been no changes in the share capital in recent years.

Own shares

Number of own shares	0	0
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The following hold more than 5% of the Bank's share capital:

NALIK Ventures A/S	Nuuk	15.26%
NunaFonden	Nuuk	13.98%
AP Pension Livsforsikringsaktieselskab	København	12.87%
BETRI P/F	Thorshavn	9.88%
LB Forsikring	København	6.33%
Kim B. Pedersen	Snevre	5.00%

23. Capital statement

Credit risk	4,915,387	4,652,973
CVA risk	11,185	7,519
Market risk	275,480	235,372
Operational risk	517,541	814,497
Total risk exposure	5,719,593	5,710,361
Equity	1,599,024	1,593,622
Proposed dividend, accounting effect	-108,000	-135,000
Framework for ratio of own shares	0	-5,985
Deduction for capital shares in the financial sector	-21,711	-5,519
Deductions for prudent valuation	-1,696	-1,652
Deductions for Non-Performing Exposures	-21,525	-13,647
Actual core capital	1,446,092	1,431,819
Supplementary capital	143,843	104,022
Capital base	1,589,935	1,535,841
Issued bonds	348,197	273,569
MREL capital base	1,938,132	1,809,410
Actual core capital ratio	25.3	25.1
Capital ratio	27.8	26.9
MREL capital ratio	33.9	31.7

DKK 1,000

2025**2024****24. Contingent liabilities**

Mortgage finance guarantees	780,976	831,355
Registration and remortgaging guarantees	122,993	118,506
Other guarantees	371,605	472,782
In total	1,275,574	1,422,643

The Bank is a member of BEC (BEC Financial Technologies a.m.b.a.). On any withdrawal the Bank will be obliged to pay a withdrawal fee to BEC equivalent to the preceding 2.5 years' IT costs. IT costs amounting to TDKK 160,316 (2024: TDKK 152,609)

Like the rest of the Danish banking sector, the bank is obliged to pay in contributions to the Settlement and Guarantee Fund.

25. Legal cases

The bank is not a party to legal proceedings that are considered to be likely to affect the bank's financial position

26. Currency exposure

Assets in foreign currency, in total	77,213	50,245
Liabilities in foreign currency, in total	71,243	43,574
Derivates in foreign currency, in total	2,158	0
Exchange-rate indicator 1	3,812	6,671
Exchange-rate indicator 1 as a ratio of core capital	0.3	0.4
Exchange-rate indicator 2	57	119

27. Interest risk rate

The Bank solely has fixed-interest-rate assets in Danish kroner.

Interest rate risk for debt instruments, etc.	14,389	8,910
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DKK 1,000

2025**2024****28. Related parties**

Related parties comprise the Bank's Board of Directors and Executive Management, and their related parties. The BANK of Greenland has no related parties with a controlling influence.

The size of loans to, and mortgages, surety or guarantees and related pledges, for members of the Bank's Executive Management and Board of Directors

Executive management	100	100
Board of Directors, including members elected by the employees	4,267	5,228

Pledges:

Executive Management	0	0
Board of Directors, including members elected by the employees	3,326	3,262

Significant terms:

Exposures with members of the Bank's Board of Directors are entered into on normal business terms.

Exposures with staff representatives on the Bank's Board of Directors are entered into on personnel terms. For members of the Board of Directors elected at the Bank's Annual General Meeting, there are no engagements with settled rates.

The Board of Directors' and Executive Management's holdings of shares in GrønlandsBANKEN A/S compiled in accordance with the insider rules (number).

Board of Directors - Kristian Frederik Lennert	10	10
Board of Directors - Gert Jonassen	187	-
Board of Directors - Peter Angutinnuaq Wistoft	264	264
Executive Management - Martin Birkmose Kviesgaard	1,455	1,455

1.000 kr.

2025

2024

29. Derivative financial instruments**Loans at fixed interest rates covered with interest swaps**

The BANK of Greenland uses derivatives to hedge the interest rate risk on fixed-interest assets and liabilities which are measured at amortised cost. On the fulfilment of certain criteria, the hedging is treated as hedging of fair value in the accounts. The interest rate risk on the hedged assets and liabilities is recognised at fair value as a value adjustment of the hedged items. If the criteria for hedging are no longer fulfilled, the accumulated value adjustment of the hedged item is amortised over the remaining term to maturity.

Lending

Amortised/nominal value	110,022	44,356
Accounting value	111,237	45,716

Covered with interest rate swap

Synthetic principal/nominal value	99,729	32,636
Accounting value	3,437	2,830

Lending at fixed interest rates without cover

Amortised/nominal value	7,753	14,690
Accounting value	8,049	15,374

	Nominal value	Positive market value	Negative market value	Net market value
2025				
Currency contracts				
Spot	2,159	0	-2	-2
In total	2,159	0	-2	-2
Interest rate contracts				
Swaps	99,729	3,803	-16	3,787
Forwards/Futures, purchase	-3,842	0	-62	-62
Forwards/Futures, sale	3,842	66	0	66
In total	99,729	3,869	-78	3,791
Share contracts				
Spot, purchase	1,818	42	0	42
Spot, sale	-1,818	0	-40	-40
In total	0	42	-40	2
In total	101,888	3,911	-120	3,791
2024				
Interest rate contracts				
Swaps	32,636	2,896	36	2,932
Forwards/Futures, purchase	-2,787	0	-5	-5
Forwards/Futures, sale	2,787	8	0	8
In total	32,636	2,904	31	2,935
Share contracts				
Spot, purchase	1,003	1	-5	-4
Spot, sale	1,003	5	-1	4
In total	2,006	6	-6	0
In total	34,642	2,910	25	2,935

Derivate financial instruments - continued**Term structure by remaining term to maturity**

	Up to and including 3 months		Over 3 months	
	Nominal value	Net market value	Up to and including 1 year Nominal value	Net market value
2025				
Interest rate contracts				
Swaps	0	0	967	2,786
Forwards/Futures, purchase	-3,842	-62	0	0
Forwards/Futures, sale	3,842	66	0	0
In total	0	4	967	2,786
Currency contracts				
Spot	2,159	-2	0	0
Share contracts				
Spot, purchase	1,818	42	0	0
Spot, sale	-1,818	-40	0	0
In total	0	2	0	0
In total	2,159	4	967	2,786

	Over 1 year		Over 5 years	
	Up to and including 5 years Nominal value	Net market value	Nominal value	Net market value
Interest rate contracts, swaps	81,559	767	17,204	233
In total	81,559	767	17,204	233

	Up to and including 3 months		Over 3 months	
	Nominal value	Net market value	Up to and including 1 year Nominal value	Net market value
2024				
Interest rate contracts				
Swaps	1,274	7	3,538	24
Forwards/Futures, purchase	-2,787	-5	0	0
Forwards/Futures, sale	2,787	8	0	0
In total	1,274	10	3,538	24
Share contracts				
Spot, purchase	1,003	-4	0	0
Spot, sale	1,003	4	0	0
In total	2,006	0	0	0
In total	3,280	10	3,538	24

	Over 1 year		Over 5 years	
	Up to and including 5 years Nominal value	Net market value	Nominal value	Net market value
Interest rate contracts, swaps	9,508	244	18,317	2,658
In total	9,508	244	18,317	2,658

30. Fair value of financial instruments

Fair value is the amount at which a financial asset can be traded, or the amount at which a financial liability can be redeemed, between qualified, willing and independent parties. The fair value may be the net book value, if the net book value is calculated on the basis of underlying assets and liabilities measured at fair value.

The following three levels of valuation categories can be used to compile the fair value:

- Level 1: Listed prices in an active market for the same type of financial instruments, i.e. with no change in form or structure.
- Level 2: Listed prices in an active market for similar assets or liabilities, or other valuation methods in which all significant input is based on observable market data.
- Level 3: Valuation methods whereby any significant input is not based on observable market data.

Transfers are made between the categories if an instrument's classification on the balance sheet date differs from its classification at the beginning of the financial year. However, changes during the period do not reflect changes in the credit risk.

For listed shares and bonds in levels 1 and 2, the fair value is set according to the listed prices and market data on the balance sheet date.

Shares in level 3 comprise sector shares in companies with which there is cooperation on products, payment settlement and administration, and are measured at estimated fair value. The estimated fair value is based primarily on the prices at which the capital interests could be traded in accordance with

the shareholder agreements, if they were divested as at the balance sheet date. Determining these shares' fair value is subject to uncertainty. For other unlisted shares for which observable input is not immediately available, the valuation is based on estimates which include information from the companies' accounts.

For loans, the write-downs are assessed to correspond to the changes in credit quality. Differences from fair values are assessed to be fees and commission received which do not fall due for payment until after the end of the financial year, and for fixed-interest-rate loans with the addition of the interest-rate-level dependent value adjustment, which is calculated by comparing the current market interest rate with the nominal interest rates for the loans.

The fair value for receivables from credit institutions and central banks is determined according to the same method as for loans, although the Bank has not currently made any write-downs for receivables from credit institutions and central banks.

For variable-interest-rate financial liabilities such as deposits and debt to credit institutions measured at amortised cost, the difference from fair values is assessed to be interest payable that does not fall due for payment until after the end of the financial year.

For fixed-interest-rate financial liabilities such as deposits and debt to credit institutions measured at amortised cost, the difference from fair value is assessed to be interest payable that does not fall due for payment until after the end of the financial year, and the interest-rate-level dependent value adjustment.

DKK 1,000	Listed prices Level 1	Observable prices Level 2	Non-observable prices Level 3	In total
2025				
FINANCIAL ASSETS				
Bonds	1,522,468	0	0	1,522,468
Shares	0	0	170,179	170,179
Positive market value of derivative financial instruments	0	3,604	0	3,604
In total	1,522,468	3,604	170,179	1,696,251
FINANCIAL LIABILITIES:				
Negative market value of derivative financial instruments	0	120	0	120
In total	0	120	0	120

DKK 1,000	Listed prices Level 1	Observable prices Level 2	Non-observable prices Level 3	In total
2024				
FINANCIAL ASSETS				
Bonds	1,498,540	0	0	1,498,540
Shares	0	0	150,963	150,963
Positive market value of derivative financial instruments	0	2,910	0	2,910
In total	1,498,540	2,910	150,963	1,652,413
FINANCIAL LIABILITIES:				
Negative market value of derivative financial instruments	0	47	0	47
In total	0	47	0	47

DKK 1,000	2025	2025	2024	2024
Financial instruments recognised at amortised cost:	Amort. cost.	Fair value	Amort. cost.	Fair value
Receivables from credit institutions and central banks	106,698	107,624	155,989	155,992
Lending and other receivables	4,921,760	4,950,290	5,030,995	5,060,901
Liabilities to credit institutions and central banks	21,147	21,147	15,698	15,698
Deposits and other liabilities	7,873,973	7,873,225	7,152,801	7,152,114
Derivative financial instruments:				
Interest rate swaps (net)	0	3,787	0	2,932

31. Sensitivity calculations

With regard to the Bank's monitoring of market risks and calculation of the adequate capital base, a number of sensitivity calculations are performed, which include the following market risk variables:

Interest rate risk:

The sensitivity calculation in relation to the Bank's interest rate risk is based on the interest rate risk key ratio that is reported to the Danish FSA. This key ratio shows the effect on the core capital after deductions on a change in interest rates of 1% point, equivalent to 100 basis points. The calculation shows that if the average interest rate on 31 December 2025 had been 100 basis points higher, all other things being equal, the profit for the year before tax would be TDKK 14,389 lower (2024: TDKK 8,910 lower), primarily as a consequence of negative fair value adjustment of the Bank's holdings of fixed-interest-rate bonds.

Currency risk:

The sensitivity calculation in relation to the Bank's currency risk is based on the currency indicator 1 key ratio that is reported to the Danish FSA. Currency indicator 1 expresses a simplified measure of the extent of the Bank's positions in foreign currency, and is calculated as the largest of the sum of all of the short currency positions and the sum of all of the long currency positions. If the Bank, on 31 December 2025, had experienced a loss on currency positions of 2.5% of currency indicator 1, all other things being equal, the profit for the year before tax would be TDKK 95 lower (2024: TDKK 167 lower), primarily as a consequence of exchange rate adjustment of the Bank's currency holdings

Share risk:

If the value of the bank's shareholdings on 31 December 2025 had been 10% lower, all other things being equal, the profit for the year before tax would be TDKK 17,018 lower (2024: TDKK 15,096 lower), as a consequence of negative fair value adjustment of the share portfolio.

Property risk:

If the value of the Bank's properties on 31 December 2025 had been 10% lower, the negative value adjustment of properties, all other things being equal, would be TDKK 32,772 before tax (2024: t.kr. 31,086 lower).

The levels in the sensitivity analysis for the 4 market risk variables have been selected on the basis that they are considered realistic and at the same time test the bank's robustness..

32. Five-year Financial Highlights and Key Figures

DKK 1,000	2025	2024	2023	2022	2021
Net interest and fee income	428,840	470,264	435,012	351,485	338,933
Value adjustments	19,024	28,578	40,058	-39,356	11,219
Other operating income	6,340	5,400	5,803	6,588	6,185
Staff and administration expenses	244,385	226,362	211,166	195,056	186,385
Depreciation and impairment of tangible assets	9,621	9,017	8,158	7,320	7,014
Other operating expenses	3,270	4,255	2,815	2,706	2,497
Write-downs on loans and receivables, etc.	15,539	18,909	14,160	4,523	1,537
Profit before tax	181,389	245,699	244,574	109,112	158,904
Tax	536	36,689	52,179	10,361	26,072
Profit for the year	180,853	209,010	192,395	98,751	132,832
SELECTED BALANCE SHEET ITEMS					
Lending	4,921,760	5,030,995	4,812,975	4,353,585	3,783,681
Deposits	7,873,973	7,152,807	6,413,469	5,942,479	5,363,871
Equity	1,599,024	1,593,622	1,479,123	1,318,592	1,267,911
Total assets	10,974,460	10,021,543	8,840,981	7,949,566	7,226,988
Contingent liabilities	1,275,574	1,422,643	1,774,426	1,934,125	1,781,465
OFFICIAL KEY FIGURES:					
Solvency ratio	27.8	26.9	26.0	23.6	24.4
Core capital ratio	25.3	25.1	24.9	23.2	24.4
Return on equity before tax	11.4	16.0	17.5	8.4	13.0
Return on equity after tax	11.3	13.6	13.8	7.6	10.9
Rate of return	1.6	2.1	2.2	1.2	1.8
Income per cost krone	1.7	2.0	2.0	1.5	1.8
Interest rate risk	1.0	0.6	0.7	1.2	1.2
Foreign exchange position	0.3	0.5	0.4	0.5	0.8
Lending plus write-downs as a ratio of deposits	59.3	67.0	72.3	71.5	69.1
Lending as a ratio of equity	3.1	3.2	3.3	3.3	3.0
Growth in lending during the year	-2.2	4.5	10.6	15.1	-5.6
LCR (Liquidity Coverage Ratio)	297.2	266.2	259.0	220.5	238.6
NSFR (Net Stable Funding Ratio)	149.8	137.5	134.0	133.8	-
Sum of large exposures	129.7	136.0	150.0	167.3	156.7
Ratio of receivables at reduced interest rates	1.2	0.8	0.9	0.4	0.5
Write-down ratio for the year	0.2	0.3	0.2	0.1	0.0
Accumulated write-down ratio	3.5	3.4	3.1	3.0	3.2
Profit for the year per share	100.8	116.1	106.9	54.9	73.8
Net book value per share	888.3	885.3	821.7	732.6	704.0
Dividend per share	80.0	100.0	55.0	20.0	40.0
Listed price/profit for the year per share (PE)	8.8	6.0	5.8	10.8	8.1
Stock exchange quotation/net book value per share	1.0	0.8	0.8	0.8	0.8

33. Definition of key figures

<p><i>Solvency ratio</i> Capital base as a percentage of risk exposure.</p>	<p><i>Lending as a ratio of deposits</i> Lending + write-downs as a ratio of deposits.</p>
<p><i>Core capital ratio</i> Core capital after percentage deduction of risk exposure.</p>	<p><i>Lending as a ratio of equity</i> Lending/equity.</p>
<p><i>Return on equity before tax</i> Profit before tax as a ratio of average equity. Average equity is calculated as a simple average of equity at the beginning and end of the year.</p>	<p><i>Growth in lending during the year</i> Percentage growth in lending from the beginning to the end of the year.</p>
<p><i>Return on equity after tax</i> Profit after tax as a ratio of average equity. Average equity is calculated as a simple average of equity at the beginning and end of the year.</p>	<p><i>LCR (Liquidity Coverage Ratio)</i> Liquidity buffer/payment obligations within 30 days</p> <p><i>NSFR (Net Stable Funding Ratio)</i> Available stable funding/Required stable funding</p>
<p><i>Rate of return</i> Profit for the year as a ratio of total assets.</p>	<p><i>Sum of large exposures</i> Sum of large exposures as a ratio of the capital base.</p>
<p><i>Income per cost krone</i> Net interest and fee income, value adjustments and other operating income as a percentage of personnel and administration expenses, depreciation and write-down of intangible and tangible assets, other operating expenses and write-downs on loans and receivables.</p>	<p><i>Ratio of receivables at reduced interest rates</i> Receivables at reduced interest rates as a ratio of lending + guarantees + write-downs.</p>
<p><i>Interest rate risk</i> Interest rate risk as a percentage of core capital after deductions.</p>	<p><i>Write-down ratio for the year</i> Write-downs for the year as a ratio of lending + guarantees + write-downs.</p>
<p><i>Currency position (currency indicator 1)</i> Currency indicator 1 is defined by the Danish FSA and expresses the risk of losses on positions in foreign currency due to fluctuating exchange rates. On an overall basis, the risk is calculated as the larger amount of positions in currencies in which the Bank has a net receivable, or positions in which the Bank has net debt.</p>	<p><i>Accumulated write-down ratio</i> Total write-downs as a ratio of lending + guarantees + write-downs.</p>
	<p><i>Profit for the year per share</i> Profit for the year after tax/average number of shares. Average number of shares is calculated as the weighted average at the beginning and end of the year.</p>
	<p><i>Net book value per share</i> Equity/number of shares, excluding own shares.</p>
	<p><i>Dividend per share</i> Proposed dividend/number of shares.</p>
	<p><i>Listed price as a ratio of the profit for the year per share</i> Listed price/profit for the year per share.</p>
	<p><i>Stock exchange quotation as a ratio of net book value</i> Stock exchange quotation/net book value per share.</p>



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Board and Management



Former CEO Gunnar í Liða

Born on 13 April 1960 (male)

Joined the Board of Directors on 6 April 2005. Last re-elected in 2025. Current term expires in 2027.

Does not comply with the Committee on Corporate Governance's definition of independence.

Chairman of the Audit Committee, Chairman of the Risk Committee, Chairman of the Nomination Committee and Chairman of the Remuneration Committee.

Member of the Boards of Directors of:

- Gist og Vist P/F (Chairman)
- SMJ Rådgivende Ingeniører A/S

Chairman of the Nomination Committee of:

- Bakkafrost P/F

Gunnar í Liða holds an MSc(Econ), supplemented with a management qualification from Wharton Business School, and was employed in the Faroese financial sector from 1988 to 2010 – until the end of 2010 as Director of the Faroe Islands' largest insurance company, when he resigned from this position. Gunnar í Liða also has substantial Board experience from Faroese companies, including financial activities, and a special insight into North Atlantic economic affairs and financing.



Structural Engineer Kristian Frederik Lennert INUPLAN A/S

Born on 30 November 1956 (male)

Joined the Board of Directors on 8 April 2003. Last re-elected in 2024. Current term expires in 2026.

Does not comply with the Committee on Corporate Governance's definition of independence.

Member of the Audit Committee, member of the Risk Committee, member of the Nomination Committee and member of the Remuneration Committee.

Member of the Boards of Directors of:

- INUPLAN A/S (Chairman)

Director of:

- Ejendomsselskabet Issortarfik ApS
- Attavik-Udlejning

Kristian Frederik Lennert holds an MSc in structural engineering and has been employed by INUPLAN A/S since 1984, and in 2002-2019 as managing director of the company. Kristian Lennert also has experience from membership of the Boards of Directors of Greenlandic companies and during his career has gained insights into Greenland's economic and social conditions, especially in the building and construction area.



Proprietor Maliina Bitsch Abelsen

Pikiala A/S

Born on 7 February 1976 (female)

Joined the Board of Directors on 20 March 2018. Last re-elected in 2024. Current term expires in 2026.

Complies with the Committee on Corporate Governance's definition of independence

Member of the Audit Committee and member of the Risk Committee

Owner of

- Pikiala

Co-owner of:

- Yogarta I/S

Maliina Abelsen holds an MSc in social sciences and a Masters in Policy and Applied Social Research. Today she is co-owner of the Pikiala ApS consultancy.

From 2014 to 2016, Maliina Abelsen was Director of the 2016 Arctic Winter Games. From 2015 to 2017 Maliina Abelsen was Vice Chair of the Board of Directors of TELE Greenland A/S. In 2016-2019, she was CCO/Commercial Director of Air Greenland with responsibility for, among other things, commercial development, sales and marketing, and was chair of Royal Greenland A/S in 2022-2025.

Maliina Abelsen was a member of Inatsisartut (the Greenland Parliament) from 2009 to 2014 and held posts in Naalakkersuisut (the Greenland Government), most recently as Naalakkersuisoq (Minister) for Finance from 2011 to 2013. Maliina Abelsen has previously worked at the UN Human Rights Commission in Geneva and the Foreign Affairs Directorate in Nuuk.



Director Pia Werner Alexandersen

Born on 2 January 1973 (female)

Joined the Board of Directors on 26 March 2025. Current term expires in 2027.

Complies with the Committee on Corporate Governance's definition of independence

Member of the Audit Committee and member of the Risk Committee

Member of the Boards of Directors of:

- AP Pensionservice A/S
- Aktieselskabet af 04. juni 2003
- Aktieselskabet af 12. maj 1998

Director of:

- AP Pension

Pia Werner Alexandersen holds an MSc in economics (Cand.scient.oecon) from the University of Copenhagen and has more than 25 years' professional experience in the Danish financial sector, including AP Pension, Nykredit Bank and Dexia Bank Denmark.

Pia Werner Alexandersen is a member of the Executive Board and Chief Operating Officer (COO) at AP Pension, with responsibility for IT, data, AI and Health. Prior to that, she was EVP of Nykredit Wealth Management from 2019 to 2024 and Deputy Director of Nykredit Markets from 2015 to 2019.

Pia Werner Alexandersen also has Board experience from Investerings Danmark and Nærpension, as well as Board training from CBS in 2023 and 2025, and INSEAD in 2024.



Former Bank Director

Gert Rinaldo Jonassen

Born on 17 January 1959 (male)

Joined the Board of Directors on 26 March 2025. Current term expires in 2027.

Complies with the Committee on Corporate Governance's definition of independence

Member of the Audit Committee and member of the Risk Committee

Gert Rinaldo Jonassen holds a banking degree and has additional managerial and professional qualifications, including a business diploma and Board training. He has also been an external speaker on CBS' Board training programme. Between 1976 and 2023, he worked in various roles at Arbejdernes Landsbank, including as IT Director between 1994 and 2004. In 2004, he was appointed CEO with direct responsibility for credit and risk management until his retirement from Arbejdernes Landsbank in 2023.

Gert Rinaldo Jonassen has experience from a wide range of Boards within the financial sector, including as Chairman of BEC from 2008 to 2020, Vice Chairman of Vestjysk Bank from 2022 to 2025, former Board member of Finanssektorens Uddannelsescenter, PBS/Nets, Multidata, DLR, Letpension, TotalKredit, LR-Kredit, etc. In addition, he has been appointed "Expert at the Eastern Division of the Danish High Court".



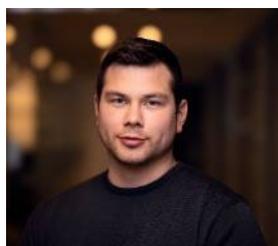
Credit consultant

Pilunnguaq Frederikke Johansen Kristiansen GrønlandsBANKEN A/S

Born on 24 October 1988 (female)

Joined the Board of Directors on 28 March 2023. Current term expires in 2027.

Member of the Audit Committee and member of the Risk Committee



Business adviser Tulliaq Angutimmarik Olsen GrønlandsBANKEN A/S

Born on 25 February 1992 (male)

Joined the Board of Directors on 1 June 2023. Current term expires in 2027.

Member of the Audit Committee and member of the Risk Committee



Communication and Marketing Manager

Niels Peter Fleischer Rex

GrønlandsBANKEN A/S

Born on 02 October 1981 (male)

Joined the Board of Directors on 27 March 2019. Current term expires in 2027.

Member of the Audit Committee, member of the Risk Committee and member of the Remuneration Committee

Member of the Boards of Directors of:

- Elite Sport Greenland



CFO

Peter Angutinguaq Wistoft

Born on 8 April 1964 (male)

Joined the Board of Directors on 27 March 2019. Last re-elected in 2024. Current term expires in 2026.

Complies with the Committee on Corporate Governance's definition of independence.

Member of the Audit Committee and member of the Risk Committee

As a state-authorised public accountant with many years' experience from the auditing sector, Peter Wistoft has considerable accounting and auditing experience, so that the Board considers him to be an independent member of the Audit Committee with accounting and auditing qualifications.

Peter Wistoft is CFO of KNI A/S, and former CEO of Kalaallit Airports Holding A/S. He is a state-authorised public accountant and a former partner in firm of accountants and consultants Deloitte. Peter Wistoft also holds strategic management qualifications from INSEAD.

Peter Wistoft has served as auditor and adviser to large companies within retail trade, energy supply, telecom and postal activities, construction and housing administration, and public administration – including the Government of Greenland.

Peter Wistoft has extensive experience within crisis management, restructuring, mergers, demergers, prospectuses and IPOs, etc. and has deep insight into accounting and special legislation concerning Greenland. Peter Wistoft has also coached boards of directors, primarily within corporate governance.



Managing Director Martin Birkmose Kviesgaard

GrønlandsBANKEN A/S

Born on 23 May 1966 (male)

Joined the Executive Management on 1 March 2006.

Member of the Boards of Directors of:

- BEC Financial Technologies a.m.b.a.
- Fugleværnsfonden

Information about the BANK of Greenland

BANK of Greenland

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GL-3900 Nuuk
Greenland
Company reg. no. 39.070
CVR no. 80050410
Domicile municipality: Sermersooq
Tel. no.: +299 70 12 34
www.banken.gl
banken@banken.gl

Board of Directors

Former CEO Gunnar í Liða, Chair
Director Kristian Frederik Lennert, Vice Chair
Proprietor Maliina Bitsch Abelsen
Director Pia Werner Alexandersen
Former Bank Director Gert Rinaldo Jonassen
Communication and Marketing Manager Niels Peter Fleischer
Rex*)
Credit consultant Pilunnguaq Frederikke Johansen Kristiansen*)
Business adviser Tulliaq Angutimmarik Olsen*)
CFO Peter Angutinguaq Wistoft

*) Employee elected

Executive Management

Managing Director Martin Birkmose Kviesgaard

Audit Committee

Comprises the full Board of Directors.

Risk Committee

Comprises the full Board of Directors.

Remuneration Committee

Comprises the Chair and Vice Chair of the Board of Directors and one member of the Board of Directors elected by the employees.

Nomination Committee

The Nomination Committee comprises the Chair and Vice Chair of the Board of Directors.

Audit Deloitte

Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6, DK-2300 Copenhagen

Financial Calendar and Stock Exchange Notifications

Financial Calendar for 2026

Annual Report 2025	26 February
Annual General Meeting in Nuuk	25 March
Interim report, First Quarter 2025	12 May
Interim report, First Half 2025	19 August
Interim Report, First Nine Months 2025	04 November

Notifications to the Stock Exchange in 2025

27 January	Death of a member of Board of Directors
3 March	Annual Report 2024
4 March	Notice convening the 2024 Annual General Meeting
18 March	Flagging of Annual General Meeting powers of attorney to the Board of Directors
26 March	Minutes of Annual General Meeting
13 May	Quarterly Report, First Quarter 2025
23 May	The BANK of Greenland issues DKK 40 million in Tier 2 capital
20 August	Quarterly Report, Second Quarter 2025
21 August	Correction of Quarterly Report, Second Quarter 2025
1 September	Financial Calendar for 2026
9 September	GrønlandsBANKEN A/S investigates the possibility of issuing Senior Non-Preferred capital
9 September	GrønlandsBANKEN A/S issues and prematurely redeems Senior Non-Preferred capital
5 November	Quarterly Report, Third Quarter 2025
9 December	Expectations of the profit for 2026