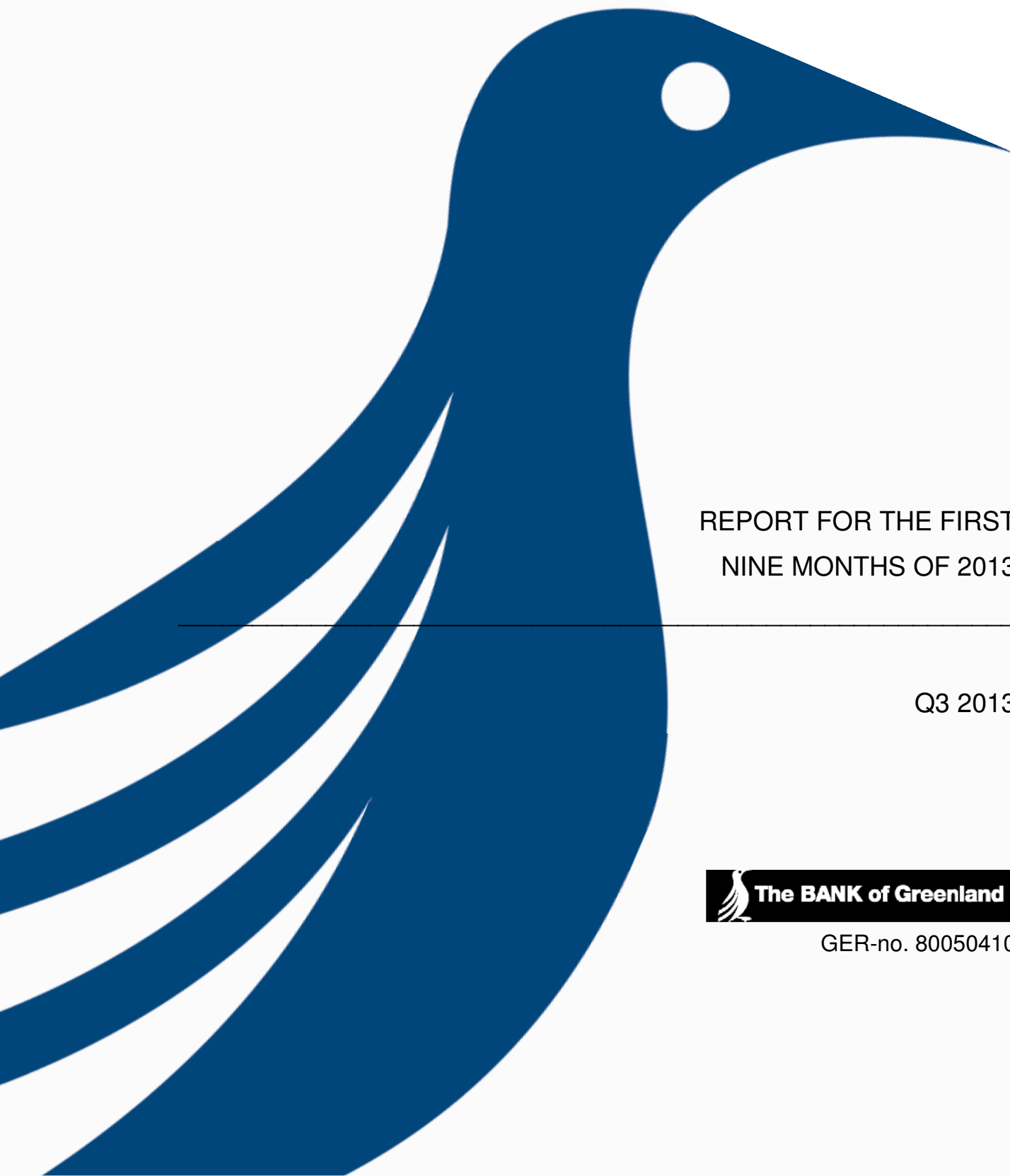


**Announcement to Nasdaq OMX Copenhagen 09/2013**

23 October 2013



**REPORT FOR THE FIRST  
NINE MONTHS OF 2013**

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**Q3 2013**



GER-no. 80050410

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## REPORT FOR THE FIRST NINE MONTHS OF 2013 - Summary

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### **Second highest profit for the first nine months of a year for The BANK of Greenland in 2013**

The BANK of Greenland turned a profit of DKr 92.457 m on ordinary activities for the first nine months of 2013 as compared with DKr 110.224 m for the same period of 2012. This profit provided a return of 15.8% per year on the shareholders' equity as at the start of 2013 and after paid-out dividend.

The profit before price adjustments and impairments amounted to DKr 103.338 m as compared with DKr 106.704 m for the first nine months of 2012.

Net income on interest and charges remained essentially unchanged with DKr 206.273 m as compared with DKr 206.412 m during the same period of 2012.

Other income from ordinary activities amounted to DKr 2.641 m as compared with DKr 3.097 m at the end of Q3 2012.

Expenses for staff and administration rose by DKr 2.991 m to DKr 95.244 m. This increase was expected; half of it was for staff expenses and the other half was for administrative expenses.

Depreciation of tangible assets fell by DKr 1.309 m to DKr 7.560 m during the first nine months of 2013.

Other expenses from ordinary activities rose by DKr 1.039 m to DKr 2.722 m during the first nine months of 2013.

Price adjustments amounted to a loss of DKr 49,000 as compared with a plus of DKr 12.687 m during the first nine months of 2012.

Impairments on the bank's loans and advances, etc. continue at a low level and amounted to DKr 10.882 m as compared with DKr 9.167 m during the first nine months of 2012. Impairments amount to a modest 0.3% of the bank's total loans, advances and guarantees.

The BANK of Greenland's loans and advances amount to DKr 2,903,096,000: a decrease of DKr 141.846 m since 31 December 2012. Following an unusually high level at the end of 2012, the bank's deposits fell by DKr 327.401 m to DKr 3,450,048,000.

At the end of Q3 2013, The BANK of Greenland continues to maintain a comfortable deposit surplus. It also has excess coverage of 151.2% based on statutory requirements for liquidity.

At the end of Q3 2013, The BANK of Greenland's solvency ratio was 20.8% before calculation of the profit for the period.

As at 30 September 2013, the bank's individual solvency requirement was 10.4%.

Expectations for profits before price adjustments and impairments for the entire year of 2013 remain in the range of DKr 125-145 m as compared with DKr 141 m in 2012.

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## FINANCIAL HIGHLIGHTS AND KEY FIGURES FOR THE FIRST NINE MONTHS OF 2013

(DKr 1,000)

Financial Highlights	First nine months	First nine months	Whole year	First nine months	First nine months	First nine months
	2013	2012	2012	2011	2010	2009
Net income from interest and charges	206,273	206,412	277,818	186,803	173,994	180,478
Price adjustments	- 49	12,687	10,884	- 17,047	7,849	- 12,955
Other ordinary income	2,641	3,097	3,464	1,709	6,342	3,684
Staff expenses and other adm. expenses	95,244	92,253	126,636	85,910	80,774	77,365
Depreciation & impairment of tangible assets	7,560	8,869	10,838	7,438	7,158	5,577
Other ordinary expenses	2,722	1,683	2,192	5,913	10,252	12,433
Impairment of loans, advances, etc.	10,882	9,167	17,322	7,819	12,462	10,869
<b>Profit on ordinary activities</b>	<b>92,457</b>	<b>110,224</b>	<b>135,178</b>	<b>64,385</b>	<b>77,539</b>	<b>64,963</b>
Tax	29,379	35,041	42,978	20,468	24,647	20,607
<b>Net profit for the financial period</b>	<b>63,078</b>	<b>75,183</b>	<b>92,200</b>	<b>43,917</b>	<b>52,892</b>	<b>44,356</b>
<b>Selected accounting items:</b>						
Loans and advances	2,903,096	2,982,423	3,044,942	2,963,522	2,869,636	2,688,870
Deposits	3,450,048	3,808,233	3,777,449	3,383,494	3,223,780	2,887,061
Shareholders' equity	850,550	832,738	848,754	784,837	745,244	672,885
Balance sheet total	4,492,152	4,843,170	4,822,878	4,494,579	4,370,413	3,884,944
Off-balance sheet items	898,945	970,281	889,344	841,625	982,206	690,717
<b>Key Figures</b>						
Solvency ratio	20.8	19.5	20.2	20.2	18.4	17.5
Core capital ratio	20.4	18.9	19.7	19.5	17.7	16.7
Return on shareholders' equity before tax	10.9	13.1	16.5	8.3	10.8	10.0
Return on shareholders' equity after tax	7.4	9.3	11.2	5.7	7.3	6.8
Earnings per expense DKr	1.79	1.98	1.86	1.60	1.70	1.61
Interest risk	0.9	1.5	1.2	0.6	1.4	1.6
Currency position	4.3	7.4	7.2	4.2	0.4	0.0
Loans and advances in relation to deposits	86.1	79.8	82.3	89.4	90.6	94.9
Loans and advances in relation to share-holders' equity	3.4	3.6	3.6	3.8	3.9	4.0
Growth in loans and advances in the period	- 4.7	- 2.6	- 0.6	1.3	2.7	- 0.1
Excess coverage in relation to statutory requirement for liquidity	151.2	183.7	198.0	167.0	202.7	128.4
Sum of major exposures	62.5	96.5	93.5	115.3	144.4	147.6
Impairment ratio for the period	0.3	0.3	0.5	0.2	0.3	0.3
Accumulated impairment ratio	2.0	1.5	1.6	1.6	1.8	1.7
Net profit for the year per share	35.0	41.8	51.2	24.4	29.4	24.6
Equity of the share	481	473	482	446	417	374
Share price/Equity of the share	1.2	0.9	1.2	0.7	1.0	1.1

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## MANAGEMENT'S REPORT FOR THE FIRST NINE MONTHS OF 2013

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### Profit and Loss Account

Net income from interest decreased slightly as expected to DKr 152.881 m as compared with DKr 154.152 m during the same period of 2012. In order to reduce the bank's interest risk, the bank's bond holdings have been reduced and partially hedged with interest swaps. As expected, we are experiencing a continued weak decline in the balance sheet sum in 2013.

Income from charges and commissions decreased by DKr 420,000 to DKr 52.396 m when compared with the same period of 2012. Isolated, there has been an increase in Q3 as compared with the same period in 2012. There is a decline in lending fees and other charges; at the same time, there is an increase in guarantee commissions as well as in income from our customers' trading in securities.

Price adjustments amount to a total loss of DKr 49,000 as compared with a gain of DKr 12.687 m during the same period of 2012. The bank has thus reduced its interest risk to 0.9%.

Total expenses and depreciation increased by DKr 2.721 m when compared with the same period of 2012; at the end of the third quarter of 2013, they amount to DKr 105.526 m. There was an increase in staff expenses of approximately DKr 1.4 m, an increase in other administrative expenses of DKr 1.6 m and a decrease in depreciation on tangible assets of DKr 1.3 m. Other operating expenses have risen by approximately DKr 1 m primarily because of additional payments to the Danish Guarantee Fund for Depositors and Investors.

Depreciations on loans amount to DKr 10.882 m as compared with DKr 9.167 m during the first three quarters of 2012. Impairments and provisions for loss on bad debts and guarantees continue to be modest, thus demonstrating a continuation of the bank's strong credit standing among retail and commercial customers in Greenland.

The bank's profit before price regulations and impairments amounts to DKr 103.388 m as compared with DKr 106.704 m for the same period of the record-breaking year of 2012.

The profit on ordinary activities was DKr 92.457 m at the end of the first nine months of 2013 as compared with DKr 110.224 m during the same period of 2012. This profit provides for a 15.8% p.a. return on shareholder's equity at the start of the period and after paid out dividend.

### Selected Highlights and Key Figures

(DKr 1,000)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	2013	2013	2013	2012	2012	2012	2012	2011
Net income from interest and charges	67,934	69,866	68,473	71,406	68,783	70,352	67,277	66,672
Expenses and depreciation	35,160	35,426	34,940	36,861	32,791	34,616	35,398	36,638
Other ordinary income	929	592	1,120	367	1,251	1,125	721	1,016
Profit before price adjustments and impairments	33,703	35,032	34,653	34,898	37,243	36,861	32,600	31,050
Price adjustments	2,314	- 2,935	572	- 1,803	9,169	359	3,159	- 12,455
Impairment on loans	2,186	5,564	3,132	8,155	2,761	3,297	3,109	4,651
Profit on ordinary activities	33,831	26,533	32,093	24,954	43,651	33,923	32,650	13,944

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## MANAGEMENT'S REPORT FOR THE FIRST NINE MONTHS OF 2013

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### Balance Sheet and Shareholders' Equity

As expected, at the beginning of the year, a decrease in bank lending, revealed stresses on lending which fell during the first three quarters of 2013. The bank's loans at the end of September 2013 amount to DKr 2,903.096 m a decrease of DKr 141.846 m compared with 2012. The third quarter demonstrated only a modest decline of DKr 27.862 m, compared with the end of 2012. The decrease in lending was caused primarily by the completion of several large-scale construction projects in Greenland, the bank's reduction in the number of its major exposures, and forecasted weak developments of Greenland's GDP in 2013. The bond portfolio has been reduced by DKr 47.067 m to DKr 673.988 m at the end of the third quarter of 2013.

The bank's deposits, of which the major share of which consists of deposits on demand, decreased by DKr 327.401 m since the end of the third quarter of 2013, to DKr 3,450,048,000. This decrease is the result of two factors: a minor decrease in the bank's customers' term deposits, and, as expected, a decrease in demand deposits in general resulting from short-term extraordinary deposits in 2012.

The balance sheet total fell by DKr 330.726 m to DKr 4,492.152 m.

At the end of the third quarter of 2013, the shareholders' equity amounts to DKr 850.550 m. In 2013, the BANK reduced its portfolio of its own shares. The BANK aims to maintain a small holding of its own shares of between 0 and 3%. Therefore, in open windows trades, the BANK can choose to buy and sell its own shares within this range.

### Capital

The BANK of Greenland employs the standard method for credit and market risks as well as the base indicator method for operational risks. For the present, the bank does not see the need to introduce more advanced models for calculating solvency.

The solvency ratio at The BANK of Greenland, into which the profit for the period has not been included but does include a tax asset due to payment of dividends, is 20.8%.

At the end of Q3 2013, the bank's individual solvency requirement is 10.4% as calculated according to the 8+ model.

### The BANK of Greenland's Calculated Capital and Solvency Requirements; Old and New Model

DKr 1,000	Probability Model		Credit Reserve Model (8+)	
	Capital Requirement	Solvency Requirement	Capital Requirement	Solvency Requirement
Credit Risk	309,461	8.22 %		
Market Risk	29,356	0.78 %		
Operational Risk	48,022	1.28 %		
Other	-36,635	-0.98 %		
Ordinary Risk			301,249	8.00 %
Special Credit Risk			63,162	1.68 %
Operational Risk			10,000	0.27 %
Market Risk			11	0.00 %
Other			15,264	0.40 %
<b>Capital and Solvency Requirement</b>	<b>350.204</b>	<b>9.30 %</b>	<b>389,686</b>	<b>10.35 %</b>

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## MANAGEMENT'S REPORT FOR THE FIRST NINE MONTHS OF 2013

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The new solvency rules are not yet valid in Greenland. However, the bank intends to follow them, and will calculate the solvency requirement both by using the Probability Model and the Credit Reserve Model, until the solvency rules are implemented in Greenland.

For further information about the above, please see The BANK of Greenland's report, including the bank's solvency requirement, on its website [www.banken.gl](http://www.banken.gl), "Investor, Public disclosure".

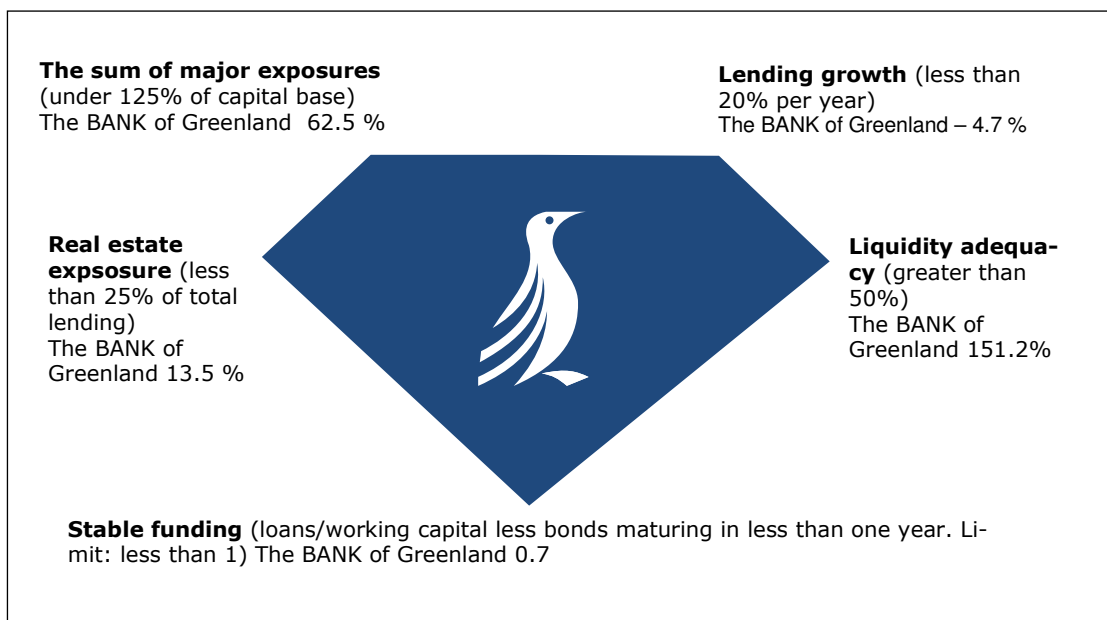
### Liquidity

For many years, The BANK of Greenland has been maintaining a comfortable deposit surplus. With excess coverage of 151.2% at the end of Q3 2013, the bank has a solid funding structure.

### The Supervisory Diamond

The BANK of Greenland has taken the five indicators for banking companies in The Danish Financial Supervisory Authority's Supervisory Diamond under consideration. The bank has a policy for the sum of major exposures; this sum may not exceed 100%. At the end of September 2013, this sum amounted to 62.5%, of which 13.8% consists of exposures in companies owned by the Government and the Municipalities and 48.7% in other customers

The BANK of Greenland has exposures related to real estate with Government or municipally owned companies (included in the public authorities' percentage of the bank's loans and advances). These exposures are not included in the real estate exposure in the Supervisory Diamond.



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## MANAGEMENT'S REPORT FOR THE FIRST NINE MONTHS OF 2013

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### **Outlook for all of 2013**

We expect to see weak negative growth of 1-2% in 2013 in Greenland caused by decreasing catches of fish, reduced activities within the field of raw materials as well as the conclusion of a number of major construction projects. The BANK of Greenland therefore expects a slight shrinking of its balance sheet. Despite this decline, the bank expects its total income to remain, by and large, unchanged in 2013.

Total expenses and depreciation are now expected to increase slightly when compared with 2012. The bank believes that the quality of its lending portfolio remains satisfactory, and we continue to expect a modest level of loan revaluation in 2013.

The expectations for profit before price adjustments and impairments remain in the range of DKr 125-145 m as compared with DKr 141 m for the record-breaking year of 2012.

23 October 2013

The Board of Directors



(DKr 1,000 )

**PROFIT AND LOSS ACCOUNT**

Notes	Q 1-3 2013	whole year 2012	Q 1-3 2012	
<b>3</b>	Interest receivable	163,852	229,088	171,832
<b>4</b>	Interest payable	10,971	21,547	17,680
	<b>Net income from interest</b>	<b>152,881</b>	<b>207,541</b>	<b>154,152</b>
	Dividend on shares etc,	2,048	628	628
<b>5</b>	Charges and commissions receivable	52,396	71,161	52,816
	Charges and commissions payable	1,052	1,512	1,184
	<b>Net income from interest and charges</b>	<b>206,273</b>	<b>277,818</b>	<b>206,412</b>
<b>6</b>	Price adjustments	- 49	10,884	12,687
	Other ordinary income	2,641	3,464	3,097
<b>7</b>	Staff expenses and administrative expenses	95,244	126,636	92,253
	Depreciation and impairments on tangible assets	7,560	10,838	8,869
	Other operating expenses	2,722	2,192	1,683
<b>10</b>	Impairments on loans, advances, etc.	10,882	17,322	9,167
	<b>Profit on ordinary activities</b>	<b>92,457</b>	<b>135,178</b>	<b>110,224</b>
<b>8</b>	Tax	29,379	42,978	35,041
	<b>Net profit for the financial period</b>	<b>63,078</b>	<b>92,200</b>	<b>75,183</b>
	<b>Total income</b>			
	Net profit for the financial period	63,078	92,200	75,183
	Reversed depreciation on owner-occupied property	2,570	3,435	2,580
	Reversed appreciation on owner-occupied property	- 2,593	- 2,649	- 788
	Tax of other total income	-7	250	570
	<b>Net total income for the financial period</b>	<b>63,048</b>	<b>93,236</b>	<b>77,545</b>

(DKr 1,000)

**BALANCE SHEET**

Notes	30 September 2013	31 December 2012	30 September 2012
<b>ASSETS</b>			
	325,605	314,246	475,023
9	251,746	428,788	344,888
10	2,903,096	3,044,942	2,982,423
11	673,988	721,055	718,322
	114,173	101,789	102,890
	191,176	187,447	191,317
	6,906	8,847	9,000
	2,470	0	0
	19,715	13,339	14,061
	3,277	2,425	5,246
<b>Total assets</b>	<b>4,492,152</b>	<b>4,822,878</b>	<b>4,843,170</b>
<b>LIABILITIES</b>			
	41,057	50,486	49,850
12	3,450,048	3,777,449	3,808,233
	23,705	23,705	27,069
	60,421	54,319	60,594
	2,027	3,617	1,646
<b>Total debt</b>	<b>3,577,258</b>	<b>3,909,576</b>	<b>3,947,392</b>
	56,280	56,292	54,833
	587	842	522
	7,477	7,414	7,685
<b>Total reserved commitments</b>	<b>64,344</b>	<b>64,548</b>	<b>63,040</b>
13	180,000	180,000	180,000
	18,444	18,467	23,515
	652,106	650,287	629,223
<b>Total shareholders' equity</b>	<b>850,550</b>	<b>848,754</b>	<b>832,738</b>
<b>Total liabilities</b>	<b>4,492,152</b>	<b>4,822,878</b>	<b>4,843,170</b>
01	<b>Accounting policies</b>		
02	<b>Accounting estimates</b>		
14	<b>Off-balance sheet items</b>		
15	<b>Solvency and capital</b>		

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**SHAREHOLDERS' EQUITY**

(DKr 1,000)

	Share capital	Reserves for write-ups	Profit brought forward	Total
<b>Shareholders' equity 1 January 2012</b>	<b>180,000</b>	<b>21,723</b>	<b>590,183</b>	<b>791,906</b>
Paid dividend			- 54,000	- 54,000
Tax value of paid dividend			17,171	17,171
Trade, own shares, net			686	686
Regulation to current value, owner-occupied property		2,580		2,580
Reversal of previous years' write-up		-788		-788
Net profit for the financial year brought forward to shareholders' equity			75,183	75,183
<b>Shareholders' equity 30 September 2012</b>	<b>180,000</b>	<b>23,515</b>	<b>629,223</b>	<b>832,738</b>
Trade, own shares, net			5	5
Regulation to current value, owner-occupied property		855		855
Reversal of previous years' write-up, owner-occupied property		- 1,861		- 1,861
Correction to previous years' write-ups		-4,042	4,042	0
Net profit for the three quarters brought forward to shareholders' equity			17,017	17,017
<b>Shareholders' equity 31 December 2012</b>	<b>180,000</b>	<b>18,467</b>	<b>650,287</b>	<b>848,754</b>
<i>Proposed dividend</i>			- 99,000	- 99,000
<i>Tax value of proposed dividend</i>			31,482	31,482
<b>Shareholders' equity 1 January 2013</b>	<b>180,000</b>	<b>18,467</b>	<b>650,287</b>	<b>848,754</b>
Paid dividend			- 99,000	- 99,000
Tax value of dividend paid			31,482	31,482
Trade, own shares, net			6,259	6,259
Write-up of owner-occupied property		2,570		2,570
Reversal of previous years' write-up		-2,593		-2,593
Net profit for the three quarters brought forward to shareholders' equity			63,078	63,078
<b>Shareholders' equity 30 September 2013</b>	<b>180,000</b>	<b>18,444</b>	<b>652,106</b>	<b>850,550</b>

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## NOTES

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### **Accounting Policies Applied**

This quarterly report has been prepared in compliance with the Danish Financial Enterprise Act and the executive order on financial reports for credit institutions and stock broker companies, etc. and in accordance with supplementary Danish requirements for disclosure concerning interim reports for listed financial enterprises.

The quarterly report has been prepared according to the same accounting policies as employed in 2012.

The Q3 report is presented according to the principle of going concern based on the practice currently in use and interpretations of the rules for Danish credit institutions.

Tax, consisting of current tax and changes in deferred tax, is included in the profit and loss account as that amount referring to the profit for the year. It is included directly in the shareholders' equity as that amount referring directly to entries on the shareholders' equity.

Greenland allows for deduction of dividend for the dividend-paying company when calculating taxable income. The tax value of this deduction is therefore added to the shareholders' equity at the time of the general meeting's approval of the dividend.

Deferred tax assets are included in the balance sheet as that value at which the assets can be expected to be realized.

The quarterly report has not been audited or reviewed.

### **Accounting Estimates**

The calculation of the accounting value of certain assets and commitments is based on estimates of the manner in which future events impact the value of these assets and commitments. The most significant estimates concern the impairment of loans, reserves on guarantees, calculation of the current value of unlisted financial instruments, assessment of owner-occupied properties and provided-for commitments.

These estimates are based on assumptions that the bank's management considers justifiable, but which are uncertain. Moreover, the bank is impacted by risks and uncertainties that can influence events, so that the actual results can deviate from the estimates.

For impairment of loans and advances, there is a significant estimate attached to the determination of the risk that not all future payments will be received. Furthermore, group impairments continue to be associated with a degree of uncertainty.

Listed financial instruments that may have been priced in markets with a low turnover, can involve a certain degree of uncertainty when applying stock market prices when measuring their current value.

Unlisted financial instruments involving significant estimates when calculating the fair value.

For provisions on commitments, there is a significant estimate attached to the determination of future employee turnover as well as a determination of the interest commitment on savings accounts that receive an extra high interest from the government.

Valuation of the bank's owner-occupied property is likewise subject to a significant estimate.

**NOTES ON THE PROFIT AND LOSS ACCOUNT**

(DKr 1,000)	Q 1-3 2013	whole year 2012	Q 1-3 2012
<b>3 Interest/forward premium receivable</b>			
Claims on credit institutions and central banks	207	1,377	1,285
Loans and advances	157,131	213,969	160,282
Bonds	10,558	16,672	12,467
Total derivatives	-4,044	- 2,930	- 2,202
<i>Of which</i>			
<i>Foreign currency contracts</i>	0	0	0
<i>Interest contracts</i>	-4,044	- 2,930	- 2,202
<b>Total interest receivable</b>	<b>163,852</b>	<b>229,088</b>	<b>171,832</b>
<b>4 Interest payable to</b>			
Credit institutions and central banks	386	864	651
Deposits	10,585	20,344	16,690
Issued bonds	0	339	339
<b>Total interest payable</b>	<b>10,971</b>	<b>21,547</b>	<b>17,680</b>
<b>5 Charges and commissions payable</b>			
Securities and depositories	2,783	3,036	2,151
Payment transfers	22,982	30,498	22,973
Charges on loan proceedings	6,547	10,735	7,528
Guarantee commission	11,176	14,599	10,368
Other charges and commissions	8,908	12,293	9,796
<b>Total charges and commissions payable</b>	<b>52,396</b>	<b>71,161</b>	<b>52,816</b>
<b>6 Price adjustments of</b>			
Loans and advances at fair value	11,150	16,603	16,001
Bonds	- 1,573	10,080	11,057
Shares	306	- 788	472
Foreign currency	1,315	1,698	1,158
Derivatives	- 11,247	- 16,709	- 16,001
<b>Total price adjustments</b>	<b>- 49</b>	<b>10,884</b>	<b>12,687</b>

**NOTES ON THE PROFIT AND LOSS ACCOUNT**

(DKr 1,000)	Q 1-3 2013	whole year 2012	Q 1-3 2012
<b>7 Staff costs and administrative expenses</b>			
Salaries and remuneration to Boards of Directors and Management			
Board of Directors	762	1,017	854
Board of Management	2,039	2,535	1,977
<b>Total</b>	<b>2,801</b>	<b>3,552</b>	<b>2,831</b>
Staff costs			
Wages and salaries	38,605	50,328	37,266
Other staff costs	1,594	3,201	2,137
Pensions	4,911	5,845	4,304
Social security costs	360	481	354
<b>Total</b>	<b>45,470</b>	<b>59,855</b>	<b>44,061</b>
Other administrative expenses	46,973	63,229	45,361
<b>Total staff costs and administrative expenses</b>	<b>95,244</b>	<b>126,636</b>	<b>92,253</b>
The average number of full-time employees	114.0	112.0	110.0
<b>8 Tax</b>			
30%	27,737	40,553	33,067
Paid tax on dividends of Danish shares	- 367	- 169	- 169
6%-supplement	1,642	2,425	1,974
Other adjustments	0	0	0
<b>Total tax on profit on ordinary activities</b>	<b>29,012</b>	<b>42,809</b>	<b>34,872</b>
Paid tax on dividends	367	169	169
<b>Total tax</b>	<b>29,379</b>	<b>42,978</b>	<b>35,041</b>
Deferred tax	0	1,931	0
Tax value of paid out dividend	29,012	17,172	17,172
Tax to be paid	367	23,875	17,869

No corporate tax has been paid in the first nine months of 2013

**NOTES ON THE BALANCE SHEET**

(DKr 1,000)	30 September 2013	31 December 2012	30 September 2012
<b>9</b>	<b>Claims on credit institutions and central banks</b>		
	0	0	0
	251,746	428,788	344,888
	<b>251,746</b>	<b>428,788</b>	<b>344,888</b>
<b>10</b>	<b>Loans and advances</b>		
	3,396	17,557	9,722
	7,486	- 235	- 555
	<b>10,882</b>	<b>17,322</b>	<b>9,167</b>
	<b>Individual impairments</b>		
	49,248	50,957	50,957
	19,156	21,928	20,793
	7,577	7,950	8,072
	1,944	15,841	13,168
	0	154	- 838
	<b>58,883</b>	<b>49,248</b>	<b>49,672</b>
	<b>Group impairments</b>		
	14,528	8,026	8,026
	594	6,636	251
	6,447	0	0
	0	-134	- 231
	<b>8,675</b>	<b>14,528</b>	<b>8,046</b>
<b>11</b>	<b>Bonds</b>		
	of which DKr 50,000,000 has been deposited as security at Danmarks Nationalbank		
<b>12</b>	<b>Deposits</b>		
	2,873,639	2,914,436	3,082,888
	297,614	425,228	399,889
	179,828	337,165	226,197
	98,967	100,620	99,259
	<b>3,450,048</b>	<b>3,777,449</b>	<b>3,808,233</b>

**NOTES ON THE BALANCE SHEET**

(DKr 1,000)	30 September 2013	31 December 2012	30 September 2012
<b>13 Share capital</b>			
The bank's share capital consists of 1,800,000 DKr 100 shares			
<b>Own holdings</b>			
Number of own shares	30,740	39,475	39,477
Nominal value of own holdings	3,074	3,948	3,948
Percentage of share capital at the end of the period	1.70	2.19	2.19
<b>14 Off-balance sheet items</b>			
Finance guarantees	10,411	14,236	14,283
Loss guarantees on mortgage credit loans	502,996	434,677	430,953
Registration and conversion guarantees	126,228	150,473	230,128
Other guarantees	258,350	289,208	294,167
<b>Total guarantees, etc.</b>	<b>897,985</b>	<b>888,594</b>	<b>969,531</b>
Irrevocable standby letters of credit	960	750	750
<b>Total other off-balance sheet items</b>	<b>960</b>	<b>750</b>	<b>750</b>
<b>15 Solvency in accordance with the Danish Financial Supervisory Authority's executive order on capital adequacy:</b>			
Non-traded weighted items	3,022,735	3,084,046	3,121,581
Weighted items with market risk, etc.	276,275	326,007	327,606
Weighted items with operational risk	475,281	475,281	447,646
Group impairments under the standard method	- 8,675	- 14,528	- 8,046
<b>Total weighted items</b>	<b>3,765,616</b>	<b>3,870,806</b>	<b>3,888,787</b>
Capital base after deduction in percentage of risk-weighted items	20.8	20.2	19.5
Core capital after deduction in percentage of risk-weighted items	20.4	19.7	18.9
Capital base after deduction	785,002	781,236	758,343
Core capital after deduction	766,558	762,769	734,040



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## STATEMENT FROM THE BOARDS OF DIRECTORS AND MANAGEMENT

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The Board of Directors and the Board of Management have today reviewed and approved the report for the period 1 January 2013 – 30 September 2013 for The BANK of Greenland A/S.

The report for the first nine months of 2013 has been presented in accordance with the Act on Danish Financial Enterprise. Furthermore, this interim report has been written in accordance with other Danish requirements for reports covering parts of years for listed credit institutions.

In our opinion, the accounts for the first nine months of 2013 provide a true and fair view of the bank's assets, liabilities, and financial position as at 30 September 2013, and of the profit stemming from the bank's activities during this period of 2013.

The Management's Report gives a true and fair view of developments in the bank's activities and financial position and describes significant risk and uncertainty factors that may affect the bank.

This quarterly report has not been audited or reviewed.

23 October 2013

### **Board of Management**

Martin Kviesgaard

### **Board of Directors**

Gunnar í Liða  
Chairman

Kristian Lennert  
Deputy Chairman

Frank Bagger

Anders Brøns

Allan Damsgaard

Yvonne Kyed

Lida Skifte Lennert

Jette Radich

Vagn T. Raun

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