

Notice to Nasdaq OMX Copenhagen
11/2014

A large, stylized blue bird logo is positioned on the left side of the page, facing right. The bird is composed of solid blue shapes, with a white circle for an eye and white curved lines for its wings and tail. The background features a light blue gradient that curves from the top left towards the bottom right.

HALF-YEARLY REPORT

FIRST HALF-YEAR 2014

 **The BANK of Greenland**

GER-no. 80050410

FIRST HALF-YEAR REPORT 2014 HEADLINES

Increased loans and market value adjustments give a strong half-year result in The BANK of Greenland.

The second quarter of 2014 has been the best in The BANK of Greenland's history. This means that somewhat weaker figures are fully compensated for by a satisfactory development of a number of areas, and the half-year will thus also be the best yet.

First and foremost, the last two years' fall in loans has been changed to an increase in loans, which soon could be found in the first quarter, but which is reinforced in the second quarter. Since the beginning of the year the loans have increased by 4% or DKK 115 million. In the second quarter the net interest income has thus increased by DKK 4 million as compared to the first quarter to now DKK 54 million. The Increase happens as a result of the growth in loans, but also as a result of the fact that there is now a full effect of the increase in investment in bonds in the first quarter.

The total revenue from the basic operation has been further increased, mainly as a result of the customers' increased trade in securities. The result before value adjustments and write-offs is thus in the second quarter DKK 39.5 million against DKK 30.6 million in the first quarter. The half-year's result before value adjustments and write-downs on DKK 70.1 million is slightly higher than last year's DKK 69.7 million.

The fine basic operation is especially satisfactory as it is made in spite of a continued weak economy and in a period when the bank's expenditure has been higher, as a result of investments in both training of the bank's employees and investment in the new branch in Aasiaat and complete renovation of the branch in Ilulissat. The main non-recurring costs or advanced costs have thus been taken in the first half-year, and the cost development is expected to decrease in the second half-year.

The improvement of the basic operation and the increased loans and guarantees probably reflect the fact that the bank has taken market shares in the corporate areas in the first half-year, just like the result of the bank's effort in the private customer area and in the seaside towns has shown a positive impact. It should be noted, however, that a substantial increase in loans for the rest of 2014 is not expected.

With a plus of DKK 16.7 million value adjustments are at a high level. Here primarily the bank's profit from the sale of Nets, as well as a positive value adjustment on the bank's shares in Sparinvest Holding are the reason. Write-downs on loans and guarantees are still modest and the result before tax ends on a satisfactory DKK 78.4 million.

- Progress in the profit before tax of DKK 19.7 million to DKK 78.4 million compared with the first half-year 2013.
- The result makes a 19 % interest per annum return on year-start equity after dividend.
- Increase in net interest and charges income of DKK 6.1 million.
- Write-downs and provisions in the first half-year of only 0.2%.
- Increase in cost of DKK 5.5 million, hereof DKK 3.8 million in the first quarter.
- Expectation of the result of the year in the high end of the previously informed interval of DKK 125-145 million before value adjustments and write-downs against DKK 135 million in the year 2013.
- Solvency percentage of 19.8 and solvency requirement of 10.6

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FINANCIAL HIGHLIGHTS OF FIRST HALF-YEAR 2014

(DKK1.000)

Key Figures	First	First	The year	First	First	First
	half-year	half-year		half-year	half-year	half-year
	2014	2013	2013	2012	2011	2010
Net interest and fee income	144.408	138.339	275.750	137.629	122.033	112.738
Value adjustment	16.757	- 2.363	4.039	3.518	- 13.435	7.857
Other operating income	1.577	1.712	3.148	1.846	1.079	4.677
Expenditure on staff and administration	69.241	64.542	130.422	62.150	56.821	55.386
Depreciation and write-downs of tangible assets	5.165	4.381	10.385	6.690	4.845	4.693
Other operating expenses	1.444	1.443	3.443	1.174	6.358	6.835
Write-downs on loans etc.	8.526	8.696	15.186	6.406	5.167	5.641
Pre-tax profits	78.366	58.626	123.501	66.573	36.486	52.717
Tax	24.901	18.621	39.251	21.160	11.596	16.754
Net profit for the period	53.465	40.005	84.250	45.413	24.890	35.963
Selected entries:						
Loans	2.989.814	2.930.958	2.874.931	3.076.691	2.928.127	2.908.917
Deposits	3.901.128	3.492.635	3.996.169	4.200.537	3.420.234	3.080.408
Net capital	867.978	829.469	876.235	804.086	774.845	724.939
Balance Sheet Total	4.964.276	4.542.982	5.057.050	5.187.616	4.468.473	4.487.853
Contingent liabilities	1.007.362	895.051	873.112	866.550	834.623	763.366
Key figures:						
Solvency percentage *	19.8	20.5	21.0	19.6	20.1	18.9
Core capital ratio	19.3	20.0	20.6	19.0	19.4	18.1
The period's return on equity before tax	9.0	7.0	14.3	8.4	4.8	7.4
The period's return on equity after tax	6.1	4.8	9.8	5.7	3.3	5.1
Revenue per expense item	1.93	1.74	1.77	1.87	1.50	1.73
Interest rate risk	1.4	0.7	0.6	1.3	0.6	1.4
Exchange risk	0.0	0.0	4.2	0.0	1.5	4.0
Foreign exchange position	1.9	4.3	0.0	7.5	0.0	0.2
Loans plus write-downs in relation to deposits	78.6	86.0	73.6	74.7	87.4	96.1
Loans in relation to equity	3.4	3.5	3.3	3.8	3.8	4.0
The period's loan growth	4.0	-3.7	- 5,6	0.4	0.1	4.1
Excess capital base compared to regulatory requirement for liquidity	141.8	172.8	219.5	236.8	170.1	190.4
The sum of large exposures	59.3	63.0	58.7	99.3	115.1	144.9
The period's write-down percentage	0.2	0.3	0.4	0.2	0.2	0.2
Cumulative write-down percentage	2.1	1.9	2.0	1.5	1.6	1.7
Income for the period per share after tax	29.7	22.2	46.8	25.2	13.8	20.0
Book value per share.	486	468	494	456	433	407
Stock market price/book value per share.	1.3	1.2	1.3	0.8	0.9	1.0

* The term "Solvency percentage" is required in the executive order on the presentation of financial statements. The same key figures are called "capital ratio" in CRR

MANAGEMENT'S REPORT FIRST HALF-YEAR 2014

Income statement

Net interest income has risen in the first half-year to thousand DKK 104.108 against thousand DKK 102.465 in the same period in 2013. During the first six-month period, loans are stabilized and show a growth of 4%. Together with investment in more bonds and slightly lower funding costs, we are seeing an increase compared to the year 2013.

Fee and commission income is increased by thousand DKK 4.677 to thousand DKK 39.174 compared to the same period in 2013. The increase is primarily found on fees on loans, as well as on revenue generated by customers' trade in securities.

The total costs and writing off are increased by thousand DKK 5.484 compared to the same period 2013 and in the first half-year of 2014 constitutes thousand DKK 75.850. As regards staff costs, an overall increase is found of approx. DKK 2.0 million of which approx. half is found on other staff costs. Other personnel expenses are a.o. operation and maintenance of staff housing as well as moving and free conveyance obligations.

Other administration costs will increase by DKK 2.5 million, of which IT costs represent DKK 0.8 million. The increase must also be seen in the light of a large training program, launched in first quarter. An increase in marketing costs of DKK 0.7 million is found compared to the same period last year. In addition, DKK 1 million has been written down on the bank's newly-renovated branch in Ilulissat in the second quarter. As mentioned at the publication of the accounts of the first quarter, the increase in costs is larger for the entire year, and among other things a consequence of a series of non-recurring and advanced costs.

Result before value adjustments and write-offs thus shows a slight increase with a result of thousand DKK 70.135 against thousand DKK 69.685 in the same period last year.

Value adjustments represent an overall profit of thousand DKK 16.757 against a loss due to depreciation of thousand DKK 2.363 in the first half-year 2013. The large market value adjustment are primarily due to gains from the sale of the shares in Nets, where the bank has charged to revenue thousand DKK 5.514 in the first quarter of 2014, and a positive profit due to appreciation on the bank's portfolio of Sparinvest Holding, where in the second thousand DKK 7.607 has been charged to revenue. Sales of Nets was made in the beginning of July 2014.

Write-downs on loans, etc. are practically unchanged and are thousand DKK 8.526 against thousand DKK 8.696 in the same period last year. Write-downs and provisions for the bank's loans and guarantees continue to be limited in scope and thus reflect a continued strong credit quality with the bank's private and corporate customers in Greenland.

Profit before tax was thousand DKK 78.366 against thousand DKK 58.626 in the same period in 2013. The result makes a 19 % interest per annum return on year-start equity after dividend.

Development in the second quarter 2014

In the second quarter of 2014, the bank increased the net interest income significantly to DKK 54.1 million against the first quarter's DKK 50 million. With a growth of loans of 4% in the first half-year of 2014 and the majority in the second quarter, loans have stabilized and it is reflected in interest income just like the effect of an increased bond reserve and lower funding costs can be seen now.

Fee income in the second quarter of 2014 also shows an increase in relation to the first quarter. The increase is DKK 2.3 million and is distributed evenly between customers' securities trading and loans fees. Both as a result of a significantly increased activity in the second quarter.

The total costs and depreciation fall in the second quarter with DKK 1.6 million as compared to the first quarter to DKK 37.1 million. First quarter was marked by non-recurring costs and advanced costs, but contained in the

MANAGEMENT'S REPORT FIRST HALF-YEAR 2014

second quarter's costs, however, a write-down is found of DKK 1.0 million of the bank's newly-renovated branch in Ilulissat.

The result before value adjustments and write-offs is thus in the second quarter DKK 39.5 million against DKK 30.6 million in the first quarter 2014 and DKK 35 million in the second quarter 2013.

The value adjustments in the second quarter 2014 are characterized by gain on Sparinvest Holding with DKK 7.6 million which thus constitute the absolutely largest part of the quarter's value adjustments of DKK 8.9 million. In the first quarter the bank booked as revenue a positive capital gain from the sale of Nets of DKK 5.5 million.

Write-downs constitute DKK 4.8 million in the second quarter and thus remain at a low level.

The result before tax thus is DKK 43.7 In the second quarter against DKK 34.6 million in the first quarter 2014 and DKK 26.5 million in the second quarter 2013.

Selected main and key figures (not audited)

(DKK1.000)	Second Quarter 2014	First Quarter 2014	Fourth Quarter 2013	Third Quarter 2013	Second Quarter 2013	First Quarter 2013	Fourth Quarter 2012	Third Quarter 2012
Net interest and fee income	75.867	68.542	69.477	67.934	69.866	68.473	71.406	68.783
Expenses and depreciation	37.114	38.736	38.724	35.160	35.426	34.940	36.861	32.791
Other operating income	794	783	507	929	592	1.120	367	1.251
Result before value adjustments and write-downs	39.547	30.589	31.260	33.703	35.032	34.653	34.912	37.243
Value adjustment	8.987	7.769	4.088	2.314	- 2.935	572	- 1.440	9.169
Write-downs on loans etc.	4.807	3.719	4.304	2.186	5.564	3.132	8.155	2.761
Pre-tax profits	43.727	34.639	31.044	33.831	26.533	32.093	25.317	43.651

Balance and equity

The bank's loans have risen satisfactorily with thousand DKK 114.883 since end 2013 and represent at end June 2014 thousand DKK 2.989.814. In the second quarter alone loans have increased by thousand DKK 67.776.

Bonds are increased by thousand DKK 196.354 to thousand DKK 850.887 at purchase of commercial and mortgage bonds.

The bank's deposits of which the major part is demand deposits is with thousand DKK 3.901.128 at the end of first quarter 2014, fallen with thousand DKK 95.041 compared with the end of 2013. The bank thus continues with comfortable excesses of deposit.

The total balance has fallen with thousand DKK 92.744 to thousand DKK 4.964.276.

At the end of first half-year 2014 net capital constitutes thousand DKK 867.978.

Outside the balance sheet, the bank's provision of guarantee given to customers increased considerably and the record contingent liabilities has thus reached DKK 1 billion.

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Capital base, risk management, and business model

In accordance with the legislation The BANK of Greenland must have a capital base supporting the risk profile. The bank has chosen to make up the credit and market risk according to the standard method and operational risk according to the basis indicator method. It is the bank's assessment that at present there is no need for the use of more advanced methods for the assessment of capital.

In accordance with the Danish Financial Business Act, the board of directors and the executive board must ensure that The BANK of Greenland has an adequate capital base, which is the capital, that according to the management's assessment, must exist as a minimum to cover all significant risks.

With the introduction of the new rules to capital in financial institutions as per January 1, 2014, there has been an increase of net capital requirements as well as statement of risk-adjusted assets, just as further requirements for liquidity and gearing will be made in the long term. The BANK of Greenland is not significantly affected by the introduction of the new funding regulation based on directive and order, due to the bank's solid net capital. Reference is made to "Statement of changes in equity" on page 12 and note 15.

The BANK of Greenland's capital ratio, in which the result for the period is not included and with deduction for tax asset due to dividend payments, is estimated to 19.8.

The BANK of Greenland wants a sustainable business model based on the bank's vision and values, as well as the bank's history, geographical location in Greenland and its position as the only bank with its headquarters in Greenland.

The bank's individual capital requirement is at the end of first half-year 2014 made up to 10.6% according to the 8+ model.

The BANK of Greenland's made up individual capital requirement according to the 8+ model

In DKK 1.000	First half-year. 2014		End of 2013	
	Capital requirement	Capital requirement in %	Capital requirement	Capital requirement in %
Column I-requirement	326.380	8.00%	308.743	8.00%
Credit risk	69.257	1.69 %	64.424	1.67 %
Market risk	9.467	0.23%	0	0.00%
Operational risk	10.000	0.25%	10.000	0.26%
Other conditions	15.799	0.39 %	19.014	0.49%
Capital requirement	430.903	10.56%	402.181	10.42%

The 8+ model is not yet valid in Greenland and the bank therefore makes up the capital requirement according to both the 8+ model and the probability model. According to the probability model, the capital requirement is lower than the above.

The BANK of Greenland has published additional information including the consolidated capital requirement in a statement on the website <http://www.banken.gl/report/>

Liquidity

The BANK of Greenland reports, cf. new requirements for liquidity (LCR), in accordance with the new rules for capital funding already from 2014 but must first comply with them from 2015 where they are phased in over time to 2019. The rules are not yet entirely clear, but the provisional calculations show 144% against a statutory requirement > 100 %.

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Based on the current requirements, at the end of first half-year 2014, the bank has liquidity excess of 141.8%.

Shareholders and dividends

The BANK of Greenland's overall financial objective is to realize a competitive return on investment to the shareholders.

The rate of The BANK of Greenland's shares has at price 624 at the end of first half-year 2014 fallen in comparison to the end of 2013 where the price was 662. The bank has in the first quarter 2014 dividends paid out to the bank's shareholders of a total of DKK 99 million or DKK 55 per share.

Five shareholders have notified shareholdings of more than 5% in accordance with the Companies Act section 28A.

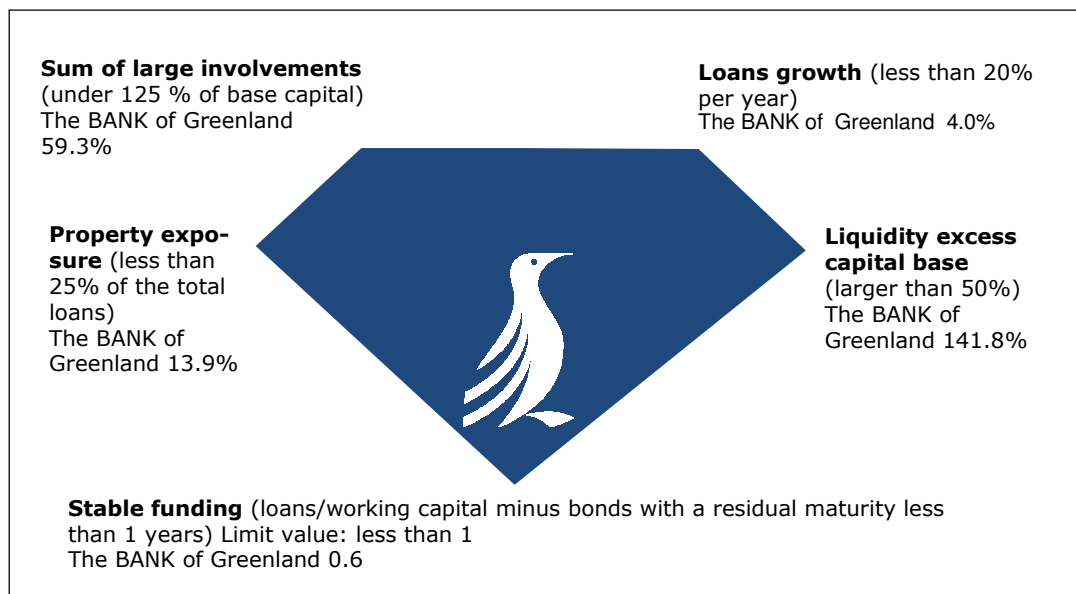
It is the bank's objective to keep a low own holding of between 0 and 3% of the share capital. The bank can therefore in open trade windows choose to buy and sell own shares within this objective.

The supervisory diamond

The BANK of Greenland has taken a position on the benchmarks in the Danish FSA's supervisory diamond. The diamond states five benchmarks for banking activities.

Concerning the sum of large involvements the bank has a policy that the sum of involvements must not exceed 100%. At the end of first half-year 2014 the sum represents 59.3% of which 11.5% are involvements with publicly-owned companies and 47.8 % with other customers.

The BANK of Greenland has property related exposures with publicly-owned companies (part of public authorities in industrial distribution of the bank's loans). These involvements are not included in the statement of property exposures in the supervisory diamond.



MANAGEMENT'S REPORT FIRST HALF-YEAR 2014

The BANK of Greenland's mission, values, and corporate governance

The BANK of Greenland is running banking in Greenland under free competition with domestic and foreign financial institutions, and provides advice and services in the financial sector to all the citizens of Greenland.

The bank's mission is to be seen in a broader perspective where The BANK of Greenland can be seen as the entire Greenland Bank. This will result in an increased responsibility to participate positively and actively in society development and contribute to the creation of opportunities in the Greenland society and at the same time ensure solid financial activities. The BANK of Greenland is extremely conscious of this important part.

The BANK of Greenland's values are firmly anchored in the bank and with the employees. The values are **Committed, Broad, Decent** and **Competent**. The values act as a guide as to how we act and want to be perceived in and outside the bank.

The BANK of Greenland relates to all Corporate Governance recommendations and the management's announcement, and it is the bank's objectives, at any time and to the greatest possible extent, to follow the recommendations. The bank's Corporate Governance statement can be found on the bank's website www.banken.gl.

In the year 2013 The BANK of Greenland joined UN Global Compact which has 10 principles for ethical behavior. The BANK of Greenland has in first quarter 2014 published its first report which can be found on the bank's website.

Expectations for all of 2014

After a weak socio-economic growth and negative GDP in 2012 and 2013, no or a weak growth in the Greenland economy is expected in 2014, however, still with much uncertainty. In the expectation that the prices and quantities of fish hold steady, that no raw material projects are initiated, but that large construction activities will start in the second half of 2014, the bank expects an increase in activity in 2014. It is, however, significant that the activity in Nuuk remains low, while there is increased activity in a number of coastal towns. A noticeable activity increase is thus essentially not expected until 2015.

On the background of a fine development in the first half-year and a number of proactive measures, this is likely to increase the income for the bank also in the remainder part of the year.

The total costs including writing off are expected to increase by about 3% in comparison to the year 2013 and the growth rate will thus for the year as a whole be lower than during the first six months of the year.

Result before value adjustments and write-downs are now expected to be in the high end of the previously informed result-estimate of DKK 125 -145 million against DKK 135 million in the year 2013.

It is the bank's assessment that the quality of the loan portfolio is satisfactory. Value adjustment of loans is expected to continue at a modest level in 2014.

August 13, 2014
Board of Directors

(DKK1.000)

INCOME STATEMENT

Notes	First half-year 2014	The year 2013	First half-year 2013	
3	Interest income	111.465	218.700	109.530
4	Interest expenses	7.357	14.633	7.065
	Net interest income	104.108	204.067	102.465
	Dividend of shares etc.	1.817	2.048	2.048
5	Fees and commission income	39.174	71.056	34.497
	Given fees and commissions payable	691	1.421	671
	Net interest and fee income	144.408	275.750	138.339
6	Value adjustment	16.757	4.039	- 2.363
	Other operating income	1.577	3.148	1.712
7	Expenses for staff and administration	69.241	130.422	64.542
	Depreciation and write-downs of tangible assets	5.165	10.385	4.381
	Other operating expenses	1.444	3.443	1.443
10	Write-downs on loans etc.	8.526	15.186	8.696
	Pre-tax profits	78.366	123.501	58.626
8	Tax	24.901	39.251	18.621
	Net profit for the period	53.465	84.250	40.005
Statement of comprehensive income				
	Net profit for the period	53.465	84.250	40.005
	Revaluation of domicile property	1.765	1.007	1.712
	Reversed revaluation of domicile property	0	-1.585	0
	Tax from other comprehensive income	561	-184	544
	This year's total income	55.791	83.488	42.261

(DKK 1.000)

BALANCE SHEET

Notes	30 June 2014	31 December 2013	30 June 2013
ASSETS			
	491.999	696.491	397.678
	Cash in hand and demand deposit with central banks		
9	264.092	496.620	245.579
	Due from credit institutions and central banks		
10	2.989.814	2.874.931	2.930.958
	Loans and other receivables at amortized cost		
11	850.887	654.533	624.520
	Bonds at fair value		
	61.868	47.826	39.898
	Shares etc.		
	192.138	189.271	188.295
	Land and buildings total, domicile property		
	7.394	6.438	7.783
	Other tangible assets		
	6.906	0	13.228
	Deferred tax assets		
	93.587	88.125	89.879
	Other assets		
	5.591	2.815	5.164
	Accruals		
	4.964.276	5.057.050	4.542.982
	Assets total		
LIABILITIES			
	47.105	48.412	69.096
	Due to credit institutions and central banks		
12	3.901.128	3.996.169	3.492.635
	Deposits and other liabilities		
	10.855	10.855	24.731
	Current tax liabilities		
	56.982	48.350	57.331
	Other liabilities		
	5.651	3.132	4.889
	Accruals		
	4.021.721	4.106.918	3.648.682
	Debt in total		
	58.216	57.393	57.089
	Provisions for deferred tax		
	8.564	8.615	265
	Provisions for losses on guarantees		
	7.797	7.889	7.477
	Other provisions		
	74.577	73.897	64.831
	Total provisions		
	Net capital		
13	180.000	180.000	180.000
	Share Capital		
	18.647	16.882	20.179
	Revaluation reserves		
	669.331	679.353	629.290
	Transferred profit		
	867.978	876.235	829.469
	Equity total		
	4.964.276	5.057.050	4.542.982
	Liabilities total		
01	Accounting policies		
02	Accounting estimates		
14	Contingent liabilities		
15	Capital and solvency		

(DKK1.000)

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Revaluation reserves	Transferred result	In total
Equity January 1, 2013	180.000	18.467	652.487	850.954
Dividend paid			- 99.000	- 99.000
Taxation value of dividend paid			31.482	31.482
Purchase and sale of own shares, net			4.316	4.316
Revaluation of domicile property		1.712		1.712
Income for the period transferred to the equity			40.005	40.005
Equity Sunday, June 30, 2013	180.000	20.179	629.290	829.469
Purchase and sale of own shares, net			5.818	5.818
Revaluation of domicile property		0		0
Reversed revaluation of domicile property		- 3.297		- 3.297
Income for the period transferred to the equity			44.245	44.245
Equity December 31, 2013	180.000	16.882	679.353	876.235
<i>Proposed dividend</i>			- 99.000	- 99.000
<i>Hereof taxation value of proposed dividend</i>			31.482	31.482
Equity January 1, 2014	180.000	16.882	679.353	876.235
Dividend paid			- 99.000	- 99.000
Taxation value of dividend paid			31.482	31.482
Purchase and sale of own shares, net			4.031	4.031
Revaluation of domicile property		1.765		1.765
Income for the period transferred to the equity			53.465	53.465
Equity June 30, 2014	180.000	18.647	669.331	867.978

NOTES

Note 1

Accounting policies etc.

The half-year report has been prepared in accordance with the Danish Financial Business Act, statutory order on financial reports for credit institutions and investment service companies, etc., as well as Danish disclosure requirements for interim reports for listed financial companies.

The applied accounting policies are unchanged compared to the annual report for 2013.

The half-year report is made according to principles of going concern from current practice and interpretation of the rules of Danish banks.

The tax, which consists of the current tax and changes in deferred tax, shall be included in the profit and loss account with the part that can be transferred to the end result, and directly on the equity with the part that can be transferred to postings directly on the equity.

Calculating the taxable income Greenland has a right to deduct dividends for the dividend paying company. The tax value of this is therefore added to the equity at the time of the general assembly's approval of the dividend.

Deferred tax assets are included in the balance sheet at the value for which the asset is expected to be realized.

The half-year report is not audited or reviewed.

Note 2

Significant accounting estimates

Statement of the book value of certain assets and liabilities is associated with an estimate of how future events will affect the value of these assets and liabilities. The most significant estimates relate to write-downs on loans, provision of guarantees, statement of fair value of unlisted financial instruments, valuation of domicile property, as well as provisions.

The exercised estimates are based on assumptions which the management considers to be justified but which are uncertain. In addition the bank is affected by risks and uncertainties that may lead to the actual results differing from the estimates.

For depreciation on loans significant estimates are related to quantification of the risk of not all future payments being received. In addition, group write-downs and determination of management-reserve in write-downs continue to be subject to some uncertainty.

Noted financial instruments that can be priced in markets with low turnover, which may have a degree of uncertainty in the application of stock market prices in the measurement of fair value.

Unlisted financial instruments where significant estimates are associated with the measurement of fair values.

For provisions significant estimates are associated with the establishment of future employee rate of turnover, as well as establishing obligation to pay interest on tax-favored savings accounts.

Valuation of the bank's domicile property also has significant estimates.

NOTES TO INCOME STATEMENT

(DKK1.000)	First half-year 2014	The year 2013	First half-year 2013
3 Interest income/arbitrage premium of			
Due from credit institutions and central banks	285	325	130
Loans	102.851	209.002	104.753
Bonds	10.602	13.999	7.233
Derivative financial instruments total	- 2.273	-4.626	- 2.586
<i>Hereof</i>			
<i>Currency contracts</i>	0	0	0
<i>Interest contracts</i>	- 2.273	- 4.626	- 2.586
Interest income total	111.465	218.700	109.530
4 Interest expenses for			
Credit institutions and central banks	304	518	245
Deposits	7.053	14.115	6.820
Interest expenses total	7.357	14.633	7.065
5 Fees and commission income distributed on			
Securities and deposits	3.639	4.108	1.902
Funds transfer	15.311	30.596	14.970
Loan case fees	6.216	9.864	4.218
Guarantee commission	7.298	14.831	7.354
Other fees and commissions	6.710	11.657	6.053
Fees and commission income total	39.174	71.056	34.497
6 Value adjustment of			
Loans to fair value	2.318	10.704	12.552
Bonds	1.678	- 519	- 2.354
Shares	14.385	3.073	- 793
Currency	2.259	1.540	712
Derivative financial instruments	- 3.883	- 10.759	- 12.480
Value adjustments total	16.757	4.039	- 2.363

NOTES TO INCOME STATEMENT

(DKK1.000)	First half-year 2014	The year 2013	First half-year 2013
7	Expenses for staff and administration		
	Wages and salaries for the board of directors and the executive board		
	Board of Directors	525	1.025
	Executive Board	1.656	2.604
	Total	2.181	3.629
			1.974
	Staff expenses		
	Wages	26.890	52.564
	Other staff expenses	1.955	3.689
	Pensions	3.329	6.557
	Social security expenses	255	494
	Total	32.429	63.304
			30.413
	Other administration expenses		
	34.631	63.489	32.155
	Expenses on staff and administration total	69.241	130.422
			64.542
	Full-time employees, average number		
	115.0	114.0	114.3
8	Tax		
	30%	23.510	37.050
	Dividend tax paid of Danish shares	- 325	- 367
	6% -addition	1.391	2.201
	Tax on ordinary result total	24.576	38.774
			18.254
	Dividend tax paid		
	325	367	367
	Tax total	24.901	39.251
			18.621
	Deferred tax		
	0	-2.426	0
	Taxation value of dividend paid		
	24.576	31.482	18.254
	Tax for Payment		
	325	10.195	367
	No corporate income tax has been paid in the period		

NOTES TO BALANCE SHEET

(DKK1.000)	30 June 2014	31 December 2013	30 June 2013
9 Due from credit institutions and central banks			
Due on termination with central banks	0	0	0
Due from credit institutions	264.092	496.620	245.579
Due total	264.092	496.620	245.579
10 Loans			
Write-downs on loans and dues			
Loans	8.577	7.279	9.273
Guarantees	- 51	7.907	- 577
Write-downs total in the period	8.526	15.186	8.696
Hereof lost not previously written down	158	331	65
Individual write-downs			
Beginning of period	57.359	49.248	49.248
Write-downs for the period	15.532	22.999	24.477
Reversal of write-downs in previous financial years	6.358	9.920	6.852
Final loss (depr.) previously individually depreciated	1.747	5.390	1.687
Other movements	0	422	0
End of period	64.785	57.359	65.186
Group-related write-downs			
Beginning of period	10.626	14.528	14.528
Write-downs for the period	1.483	4.162	167
Reversal of write-downs made in previous financial year	378	8.064	6.991
Other movements	0	0	0
End of period	11.731	10.626	7.704
11 Bonds			
Hereof nominally thousand DKK 50.000 for security for facilities with Danmarks Nationalbank (the National Bank of Denmark)			
12 Deposits			
On demand	3.452.437	3.193.056	2.842.019
With term of notice	279.558	287.401	298.008
Time deposits	68.262	416.201	251.083
Special deposits	100.871	99.511	101.525
Deposits total	3.901.128	3.996.169	3.492.635

NOTES TO BALANCE SHEET

(DKK1.000)	30 June 2014	31 December 2013	30 June 2013
13 Share Capital			
The share capital consists of 1.800.000 shares each DKK 100			
Own equity interest			
Number of own shares	12.909	18.327	33.962
Nominal holding of own equity interest	1.291	1.833	3.396
Percentage of share capital at end of period	0.7	1.0	1.9
14 Contingent liabilities			
Financial guarantees	110.446	9.071	15.477
Mortgage finance guarantees	549.715	531.686	495.288
Registration and conversion guarantees	79.657	86.571	122.241
Other guarantees	265.134	243.174	260.935
Guarantees, etc. total	1.004.952	870.502	893.941
Irrevocable loan commitments	2.410	2.610	1.110
Other contingent liabilities total	2.410	2.610	1.110
15 Capital and solvency			
Risk-adjusted entries			
Credit risk	3.205.282	3.070.198	3.017.425
Market risk	374.234	288.863	279.127
Operational risk	500.229	500.229	475.281
Weighted assets total	4.079.745	3.859.290	3.771.833
Capital Ratio	19.8	21.0	20.5
Core capital ratio	19.3	20.6	20.0
Capital adequacy requirements	8.0%	8.0%	8.0%
Capital adequacy	807.607	808.717	764.533
Core capital	788.960	791.835	745.206

MANAGEMENT'S STATEMENT

The board of directors and the executive board have today discussed and approved the half-year report for the period January 1 - June 30, 2014 for The BANK of Greenland, private limited company.

The half-yearly report is made in accordance with the Danish Financial Business Act, and the management's report has been made in accordance with the Danish Financial Business Act. The half-year report has furthermore been made in accordance with additional Danish disclosure requirements for listed financial institutions.

It is our view that half-year report gives a true and fair view of the bank's assets, liabilities, and financial position as per June 30, 2014 and of the results of the bank's activities for the first half-year of 2014.

The management's report contains, in our opinion, a true and fair presentation of the development of the bank's activities and financial conditions, as well as a description of the main risks and uncertainties that The BANK of Greenland face.

The half-year report has not been subject to audit or review.

August 13, 2014

Executive Board

Martin Kviesgaard

Board of Directors

Gunnar í Liða
president

Kristian Lennert
vice-president

Frank Bagger

Anders Brøns

Allan Damsgaard

Yvonne Kyed

Lida Skifte Lennert

Jette Radich

Vagn T. Raun

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