

Notification to Nasdaq OMX Copenhagen

11/2016



QUARTERLY REPORT

FIRST QUARTER OF 2016

 **The BANK of Greenland**

GER no. 80050410

1. QUARTERLY REPORT FOR 2016 IN HEADLINES

Satisfactory first quarter of 2016

The first quarter of 2016 shows a profit before tax of DKK 21.5 million. The profit before value adjustments and write-downs amounts to DKK 31.9 million, compared to DKK 34.5 million for the same period of 2015.

In the first quarter of 2016, the Bank achieved a small increase in overall lending and guarantees of DKK 4.6 million. This reflects a modest decline in lending of DKK 13.5 million and an increase in guarantees provided of DKK 18.1 million.

The lower level of lending, together with the continuing very low level of interest rates, which affects the Bank as e.g. negative interest payments on surplus liquidity at Danmarks Nationalbank, exerts pressure on net interest rates. Together with the decrease in income from interest on bonds, this results in a decline compared to the same period of 2015.

Fee income is at a satisfactory level, with a small increase from the same period of 2015.

Costs, including depreciation and amortisation, amount to DKK 39.3 million, having increased by 1.8% compared to first quarter of 2015.

Value adjustments were negative in the first quarter of 2016, at DKK 6.4 million, which is an increase from the same period of 2015. The primary reason for the capital loss in 2016 is the bank's bond holdings.

Write-downs on loans and guarantees remain low, giving a profit before tax of DKK 21.5 million, compared to DKK 25.2 million for the same period of the previous year.

- The profit before tax gives a return of 10.2% p.a. on the opening equity after disbursement of dividend.
- A small increase in total loans and guarantees of DKK 4.6 million.
- Write-downs and provisions for the period of 0.1%.
- A decrease in net interest income of 4.5%, which is fully attributable to the decrease in income from bond interest.
- Increase in fee income of 3.1%.
- A small increase in total costs, including depreciation and amortisation, of DKK 0.7 million.
- Solvency ratio of 19.8 and a capital requirement of 10.1.

TABLE OF CONTENTS

Financial Highlights and Key Figures	4
Management Review	5 - 9
Income Statement and Statement of Comprehensive Income.....	10
Balance Sheet.....	11
Statement of changes in equity	12
Notes, accounting policies and financial estimates	13
Notes to the Income Statement	14 - 15
Notes to the Balance Sheet	16 - 17
Management Statement	18

FINANCIAL HIGHLIGHTS AND KEY FIGURES FOR THE FIRST QUARTER OF 2016

(DKK 1,000)

	Q1 2016	Q1 2015	Full year 2015	Q1 2014	Q1 2013	Q1 2012
Net interest and fee income	69,891	71,698	284,174	68,542	68,473	67,277
Value adjustments	-6,369	-4,136	-10,775	7,769	572	3,159
Other operating income	1,297	1,440	6,002	1,305	1,521	1,459
Staff and administration expenses	37,533	36,729	139,414	35,861	32,017	31,861
Depreciation and impairment of tangible assets	1,033	23	6,150	2,153	2,145	2,646
Other operating expenses	709	1,840	7,780	1,244	1,179	1,629
Write-downs on loans, etc.	4,063	5,176	19,432	3,719	3,132	3,109
Profit before tax	21,481	25,234	106,625	34,639	32,093	32,650
Tax	6,831	8,022	33,899	11,008	10,206	10,381
Profit for the period	14,650	17,212	72,726	23,631	21,887	22,269
Selected accounting details:						
Lending	2,809,026	2,838,689	2,822,572	2,913,038	2,969,511	3,084,403
Deposits	4,558,795	3,994,265	4,741,477	4,105,788	3,329,783	3,675,399
Equity	861,565	859,760	914,282	833,790	809,948	786,854
Balance sheet total	5,651,493	5,068,400	5,846,450	5,165,367	4,427,200	4,653,723
Contingent liabilities	1,141,157	1,173,529	1,123,022	869,773	885,106	863,033
Key figures:						
Capital rate	19.8	20.7	20.8	20.2	19.7	19.4
Core capital ratio	19.8	20.7	20.8	19.7	19.2	18.8
The period's return on equity before tax	2.4	2.9	11.7	4.1	3.9	4.1
The period's return on equity after tax	1.6	1.9	8.0	2.8	2.6	2.8
Income per cost krone	1.50	1.59	1.62	1.82	1.84	1.85
Rate of return	0.3	0.3	1.2	0.5	0.5	0.5
Interest rate risk	1.2	1.2	1.1	1.0	1.3	1.3
Foreign exchange position	6.7	-1.0	5.6	6.1	7.5	3.7
Loans plus write-downs in relation to deposits	64.1	73.3	61.7	72.7	89.3	85.6
Loans in relation to equity	3.3	3.3	3.1	3.5	3.7	3.9
Growth in lending during the period	-0.5	0.9	0.3	1.3	-2.5	0.7
Excess capital base compared to statutory liquidity requirement	164.5	150.8	203.9	178.5	144.9	167.4
The sum of large exposures	69.7	35.6	69.9	58.9	76.5	115.4
The period's write-down percentage	0.1	0.2	0.6	0.1	0.1	0.1
Accumulated write-down percentage	2.9	2.4	2.8	2.1	1.7	1.6
The period's profit per share after tax	8.1	9.6	15.4	13.1	12.2	12.4
Net book value per share	479	478	508	468	458	446
Stock exchange quotation/net book value per share	1.3	1.3	1.2	1.4	1.4	1.1

MANAGEMENT REVIEW FOR THE FIRST QUARTER OF 2016

Income statement

Net interest income decreased by 2.5% to TDKK 69,891 compared to Q1 2015. Lower income from bond interest and the negative interest on the Bank's certificates of deposit at Danmarks Nationalbank and on deposits with other banks are the primary reasons.

Fee and commission income, on the other hand, increased moderately to TDKK 21,993, compared to the same period of 2015, notwithstanding the increase in remortgaging activity in Q1 2015.

Other operating income, mainly external rental income on the Bank's homes, fell to TDKK 1,297 from TDKK 1,440 for the same period of 2015. In the spring of 2015, one more storey of the Bank's head office building in Nuuk was incorporated in banking activities, and thereby does not contribute rent income.

Staff and administration costs increased moderately by TDKK 804, or 2.2%, to TDKK 37,523 compared to the same period of 2015. Of this amount, staff costs increased by TDKK 357, which is primarily attributable to salaries and pensions. This increase is expected and is related to an increase in the number of employees. Other administration costs increased by TDKK 447 to TDKK 18,101, which is related to such factors as the commencement of a major strategy programme and higher postage costs.

Other operating expenses, which concern operation and maintenance of the Bank's bank buildings, and payments to sector guarantee schemes, fell in Q1 2016 to TDKK 709 from TDKK 1,840 for the same period of 2015.

Depreciation of tangible assets increased by TDKK 1,010 to TDKK 1,033 compared to the same period of 2015.

The profit before value adjustments and write-downs thus decreased by TDKK 2,633 to TDKK 31,913, compared to the same period of 2015,

Value adjustments represent a total capital loss of TDKK 6,369 and have thereby increased from 2015, when the capital loss for Q1 was TDKK 4,136. The primary reason for the capital loss in 2016 is the bank's bond holdings.

Write-downs of loans, etc. of TDKK 4,063 are lower than for the same period of 2015, for which the write-downs were TDKK 5,176. Write-downs and provisions on the bank's loans and guarantees remain limited and thus reflect the continued generally strong credit standing of the bank's private and business customers in Greenland.

Selected Highlights and Key Figures (not audited)

(DKK 1,000)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	2016	2015	2015	2015	2015	2014	2014	2014
Net interest and fee income	69,891	70,399	71,638	70,439	71,698	73,324	75,724	75,867
Costs, depreciation and amortisation	39,275	39,780	37,512	37,460	38,592	37,774	35,824	37,705
Other operating income	1,297	2,212	1,205	1,145	1,440	1,394	1,573	1,385
Profit before value adjustments and write-downs	31,913	32,831	35,331	34,124	34,546	36,944	41,473	39,547
Value adjustments	-6,369	-4,001	-2,907	269	-4,136	-10,295	1,226	8,987
Impairment of loans, etc.	4,063	5,011	4,687	4,558	5,176	10,768	5,513	4,807
Profit before tax	21,481	23,819	27,737	29,835	25,234	15,881	37,186	43,727

MANAGEMENT REVIEW FOR THE FIRST QUARTER OF 2016

The profit before tax was TDKK 21,481, compared to TDKK 25,234 for the same period of 2015.

Balance sheet and equity

The Bank's lending decreased by DKK 13.5 million in Q1 2016 to TDKK 2,809,026 from the end of 2015.

The Bank's deposits, of which the largest element is deposits on demand, amounted to TDKK 4,558,795 at the end of Q1 2016, having decreased by TDKK 182,682 from the end of 2015. This decrease was expected, and the Bank expects a further decline during the next quarters.

The total balance sheet has thus decreased by TDKK 194,957 to TDKK 5,651,493. Equity amounted to TDKK 861,565 at the close of Q1 2016.

Outside the balance sheet, the bank's guarantees and irrevocable undertakings to customers increased by TDKK 18,135 to TDKK 1,141,157 at the end of March 2016.

Uncertainty of recognition and measurement

The main uncertainties concerning recognition and measurement are related to write-downs on loans, provisions on guarantees, and the valuation of properties, unlisted securities and financial instruments. The management believes that the presentation of the accounts for Q1 2016 is subject to an appropriate level of uncertainty.

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 due to 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 has financial losses as a consequence of inadequate or deficient internal procedures, human errors, IT systems, etc.

Capital requirement

The BANK of Greenland must by law have a capital base that supports the risk profile. The BANK of Greenland compiles the credit and market risk according to the standard method and the operational risk according to the basic indicator method. It is still the Bank's assessment that there is no need for more sophisticated methods to be used.

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

MANAGEMENT REVIEW FOR THE FIRST QUARTER OF 2016

The BANK of Greenland's capital ratio, excluding the result for the period and after deduction of the tax asset due to payment of dividend, stood at 19.8 at the end of Q1 2016.

The Board of Directors has the current objective for the BANK of Greenland's capital ratio to be approximately 8-10% points above the Bank's individual solvency requirement. Based on the expected SIFI designation during 2016, the Board of Directors assesses that surplus cover of 9.7 is acceptable, until the new requirements have been implemented and a new capital adequacy and solvency target can be assessed. It is the Board of Directors' assessment that the Bank's current solvency ratio will also be satisfactory after any SIFI designation.

At the end of March 2016 the Bank's individual capital requirement was compiled at 10.1% according to the 8+ model and the Bank thus has surplus cover of 9.7% points, or TDKK 402,289.

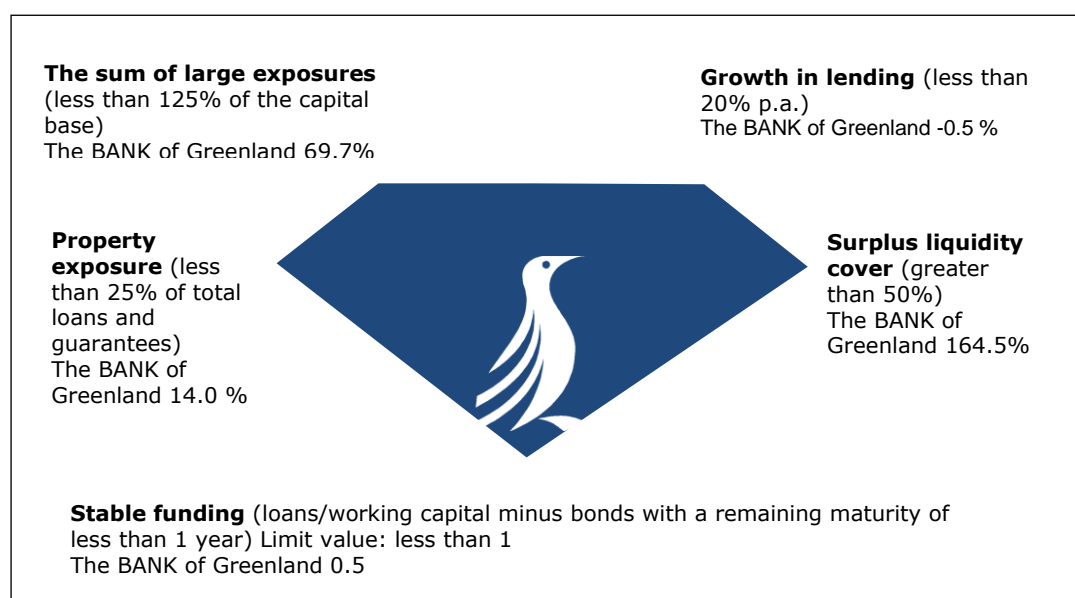
The BANK of Greenland's reported individual capital requirement according to the 8+ model

In DKK 1,000	Q1 2016		End of 2015	
	Capital requirement	Capital requirement in %	Capital requirement	Capital requirement in %
Pillar I requirement	331,742	8.0%	325,659	8.0%
Credit risk	51,223	1.2%	68,123	1.7%
Market risk	14,169	0.4%	14,169	0.4%
Operational risk	5,500	0.1%	5,500	0.1%
Other conditions	16,119	0.4%	9,038	0.2%
Capital requirement	418,753	10.1%	422,489	10.4%

The BANK of Greenland has published further details of the calculated capital requirement in a report on the website <http://www.banken.gl/report/>

The Supervisory Diamond

The BANK of Greenland has considered the benchmarks set out in the Danish Financial Supervisory Authority's Supervisory Diamond for banks. The Supervisory Diamond indicates five benchmarks for banking activities. The Bank's business model states that the sum of large exposures should not exceed 100% of the capital base.



MANAGEMENT REVIEW FOR THE FIRST QUARTER OF 2016

The sum of large exposures constituted 69.7% at the end of Q1 2016, of which exposures to publicly owned and sector companies constituted 21.5%.

Liquidity

The new liquidity provisions entered into force with effect from 1 October 2015. The Liquidity Coverage Ratio (LCR) expresses how the Bank is able to honour its payment obligations for a coming 30-day period, without access to market funding. The key figure will replace the current Section 152 liquidity ratio.

LCR will be phased in gradually up to 2018, when the ratio must be at least 100% for non-SIFI institutions. For SIFI institutions, as of 1 October 2015 the cover must already be 100%. Since the BANK of Greenland expects to be designated as an SIFI during 2016, the Bank already wishes to adhere to the same rules as apply to SIFI institutions.

The statement as of the end of March 2016 shows an LCR ratio of 181.1, which thereby fulfils the requirement.

Based on the current requirements (Section 152 of the Financial Business Act), at the end of Q1 2016, the bank has excess liquidity coverage of 164.5%.

Shareholders and dividend

The BANK of Greenland's overall financial objective is to achieve a competitive return for the shareholders. At a price of 605 at the end of Q1 2016, the price of the BANK of Greenland's shares has decreased from the end of 2015, when the price was 625. In Q1 2016, the Bank's Annual General Meeting approved the payment of dividend to the Bank's shareholders totalling DKK 99 million, or DKK 55 per share.

In accordance with Section 28a of the Danish Companies Act, five shareholders have notified shareholdings in excess of 5%.

The Bank aims to maintain low own holdings of between 0 and 3% of the share capital. The Bank may therefore in open trading windows choose to buy and sell own shares within this objective. At the end of Q1 2016, the Bank had no holdings of own shares.

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

The BANK of Greenland conducts banking activities in Greenland in open competition with domestic and foreign banks and provides advice and services in the financial area to all citizens and businesses in Greenland.

The Bank's mission should be viewed in a broader perspective whereby the BANK of Greenland can be seen as the Bank for all of Greenland. This entails 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 extremely aware of this vital role.

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

The BANK of Greenland considers all of the Corporate Governance recommendations and the Danish Executive Order on Management and Control of Banks, etc. and it is the Bank's objective to observe these recommendations at all times and to the greatest possible extent. The Bank's Corporate Governance Statement may be found on the Bank's website www.banken.gl

MANAGEMENT REVIEW FOR THE FIRST QUARTER OF 2016

The BANK of Greenland has endorsed the UN Global Compact, which has ten principles for ethical conduct. The BANK of Greenland publishes its report every year. This is available on the Bank's website.

Outlook for 2016

After negative GDP development in Greenland in the period from 2012 to 2014, we assess that there was a cyclical reversal during 2015, and that the year closed with moderately positive GDP growth. The BANK of Greenland expects a further increase in 2016, especially in view of the expected increased construction activity and higher prawn quota.

The BANK of Greenland expects a moderate increase in lending during the year, guarantees at a high level, and an unchanged interest rate margin. There is still considerable uncertainty related to the extremely low level of interest rates, including the negative rate of interest on certificates of deposit at Danmarks Nationalbank. On this basis the Bank expects a slight increase in overall income compared to 2015.

Total costs including depreciation and amortisation are also expected to increase slightly from 2015, in the expectation that all positions remain filled and the achievement of the planned renovation and maintenance of some of the Bank's staff accommodation. In addition, a major digitisation process has been launched and the renovation of the Bank's branch in Maniitsoq was commenced in Q1 2016.

In Q2 2016, a negative value adjustment amounting to DKK 5.4 million concerning the Bank's holdings of shares in Spar Invest Holding A/S, and a dividend payment concerning the same securities of DKK 2.9 million, will be booked.

The bank assesses that the quality of the loan portfolio is satisfactory. Value adjustment of lending at a moderate level is therefore expected in 2016, and probably at the same level as in 2015.

A profit before value adjustments and write-downs at the level of DKK 125-145 million is still expected, compared to DKK 137 million in 2015.

26 April 2016
Board of Directors

(DKK 1,000)

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Notes	Q1 2016	Full year 2015	Q1 2015	
3	Interest income	51,427	215,458	54,152
4	Negative interest income	-2,475	-8,719	-1,280
5	Interest expenses	668	4,531	2,317
	Net interest income	48,284	202,208	50,555
	Share dividend, etc.	0	497	191
6	Fee and commission income	21,993	83,441	21,330
	Fees paid and commission expenses	386	1,972	378
	Net interest and fee income	69,891	293,457	71,698
7	Value adjustments	-6,369	-10,775	-4,136
	Other operating income	1,297	6,002	1,440
8	Staff and administration costs	37,533	139,414	36,729
	Depreciation and impairment of tangible assets	1,033	6,160	23
	Other operating expenses	709	7,780	1,840
11	Write-downs on loans, etc.	4,063	19,432	5,176
	Profit before tax	21,481	106,625	25,234
9	Tax	6,831	33,899	8,022
	Profit for the period	14,650	72,726	17,212
Statement of comprehensive income				
	Profit for the period	14,650	72,726	17,212
	Other comprehensive income:			
	Property exposures	221	-1,170	284
	Tax on other comprehensive income	-70	372	-90
	Total other comprehensive income	151	-798	194
	Comprehensive income for the year	14,801	89,322	17,406

(DKK 1,000)

BALANCE SHEET

Notes	31 March 2016	31 December 2015	31 March 2015	
ASSETS				
	Cash balance and demand deposits with central banks	361,395	336,618	479,340
10	Amounts receivable from credit institutions and central banks	1,154,141	1,454,983	526,452
11	Loans and other receivables at amortised cost	2,809,026	2,822,572	2,838,689
12	Bonds at fair value	903,146	835,754	839,386
	Shares, etc.	89,454	84,750	67,364
	Land and buildings in total, domicile properties	195,526	194,709	188,591
	Other tangible assets	7,922	8,036	7,452
	Deferred tax assets	24,651	0	23,502
	Other assets	102,139	106,225	91,633
	Accruals and deferred income	4,093	2,803	5,991
	Total assets	5,651,493	5,846,450	5,068,400
LIABILITIES				
	Liabilities to credit institutions and central banks	54,178	45,572	52,445
13	Deposits and other liabilities	4,558,795	4,741,477	3,994,265
	Current tax liabilities	2,769	2,769	11,490
	Other liabilities	103,841	67,530	72,414
	Prepayments and deferred expenses	2,342	5,096	3,709
	Total debt	4,721,925	4,862,444	4,134,323
	Provisions for deferred tax	55,130	55,060	55,998
	Provisions for losses on guarantees	5,879	7,620	11,168
	Other provisions	6,994	7,044	7,151
	Total provisions	68,003	69,724	74,317
	Equity			
14	Share capital	180,000	180,000	180,000
	Revaluation reserves	15,358	15,207	16,741
	Retained earnings	666,207	719,075	663,019
	Total equity	861,565	914,282	859,760
	Total liabilities	5,651,493	5,846,450	5,068,400
01	Applied accounting policies			
02	Accounting estimates			
15	Contingent liabilities			
16	Capital conditions and solvency			

((DKK 1,000))

STATEMENT OF CHANGES IN EQUITY

	Share capital	Re-valuation re-serves	Retained earnings	Proposed dividend, net	Total equity
Equity, 1 January 2015	180,000	16,547	645,807	67,518	909,872
Dividend paid				-99,000	-99,000
Taxation value of dividend paid				31,482	31,482
Other comprehensive income		194			194
Profit for the period			17,212		17,212
Equity, 31 March 2015	180,000	16,741	663,019	0	859,760
Other comprehensive income		-1,534	542		-992
Profit for the period			55,514		55,514
Equity, 31 December 2015	180,000	15,207	719,075	0	914,282
Equity at the beginning of 2016 after distribution of dividend	180,000	15,207	651,557	67,518	914,282
Dividend paid				-99,000	-99,000
Taxation value of dividend paid				31,482	31,482
Other comprehensive income		151			151
Profit for the period			14,650		14,650
Equity, 31 March 2016	180,000	15,358	666,207	0	861,565

NOTES

Note 1

Accounting policies applied, etc.

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

The accounting policies applied are unchanged compared to the Annual Report for 2015.

This quarterly report is presented in accordance with the going concern principle, based on current practice and interpretation of the rules for Danish banking institutions.

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

On calculating the taxable income, Greenland allows tax deduction of dividends for the dividend-paying company. The taxation value of this is therefore added to equity at the time of the Annual General Meeting's approval of the dividend.

Deferred tax assets are recognised in the balance sheet at the value at which the asset is expected to be realised.

The quarterly report has not been audited or reviewed.

Note 2

Significant accounting estimates

Calculation of the accounting value of certain assets and liabilities is related to an estimate of how future events will affect the value of these assets and liabilities. The most significant estimates relate to:

- measurement of loans and guarantees
- financial instruments
- fair value of domicile properties
- provisions

The estimates are based on assumptions that the management considers reasonable, but which are uncertain. In addition, the Bank is subject to risks and uncertainties that may lead the actual results to deviate from the estimates.

For write-downs of loans there are significant estimates associated with the quantification of the risk that not all future payments will be received. Furthermore, collective write-downs and the determination of the management reserve in write-downs remain uncertain.

Listed financial instruments may be priced in markets with low turnover, which means that the use of the stock exchange prices when measuring fair value may be subject to some uncertainty.

Unlisted financial instruments may involve significant estimates in connection with the measurement of fair value.

For provisions, there are significant estimates related to the determination of the future rate of employee turnover, as well as determining the interest obligation on tax-free savings accounts.

Valuation of the Bank's domicile properties is also subject to significant estimates.

NOTES TO THE INCOME STATEMENT

(DKK 1,000)	Q1 2016	Full year 2015	Q1 2015
3 Interest income			
Amounts receivable from credit institutions and central banks	0	0	0
Lending	47,892	194,996	48,131
Bonds	3,535	20,462	6,021
Total interest income	51,427	215,458	54,152
4 Negative interest			
Amounts receivable from credit institutions and central banks	-1,116	-4,412	-351
Foreign exchange, interest rate, equity, commodity and other contracts, as well as derivative financial instruments	-1,359	-4,307	-929
Total negative interest	-2,475	-8,719	-1,280
5 Interest expenses			
Credit institutions and central banks	62	318	277
Deposits	606	4,213	2,040
Total interest expenses	668	4,531	2,317
6 Fees and commission income			
Securities and securities accounts	897	5,281	1,394
Funds transfer	7,943	33,038	7,819
Loan case fees	2,678	13,034	2,963
Guarantee commission	4,396	17,796	4,530
Other fees and commission	6,079	14,292	4,624
Total fee and commission income	21,993	83,441	21,330
7 Value adjustments			
Lending at fair value	1,515	-3,107	699
Bonds	-5,829	-28,118	-6,255
Shares	-131	14,325	2,842
Currency	293	2,387	-414
Derivative financial instruments	-2,217	3,738	-1,008
Total value adjustments	-6,369	-10,775	-4,136

NOTES TO THE INCOME STATEMENT

(DKK 1,000)	Q1 2016	Full year 2015	Q1 2015
8 Staff and administration costs			
Salaries and remuneration to the Board of Directors and the Executive Management			
Board of Directors	334	1,338	263
Executive Management	800	3,026	774
Total	1,134	4,364	1,037
Staff expenses			
Salaries	15,528	57,119	15,288
Other staff expenses	830	3,233	828
Pensions	1,829	7,073	1,772
Social security expenses	112	445	150
Total	18,298	67,970	18,038
Other administration expenses	18,101	67,155	17,654
Average no. of full-time employees	121.3	117.9	119.0
9 Tax			
30%	6,444	31,988	7,570
Paid dividend tax for Danish shares	0	124	42
6% supplement	387	1,911	452
Total tax on ordinary profit	6,831	33,775	7,980
Paid dividend tax	0	124	42
Taxes in total	6,831	33,899	8,022
Deferred tax	0	-476	0
Taxation value of dividend paid	6,831	31,482	7,980
Tax to be paid	0	2,893	42
No company tax was paid during the period			

NOTES TO THE BALANCE SHEET

(DKK 1,000)	31 March 2016	31 December 2015	31 March 2015
10	Amounts receivable from credit institutions and central banks		
	332,000	723,000	109,000
	822,141	731,983	414,577
	1,154,141	1,454,983	523,577
11	Lending		
	Write-downs on loans and receivables		
	5,804	23,573	5,770
	-1,741	-4,141	-594
	4,063	19,432	5,176
	Of which losses not previously written down		
	4	160	42
	Individual write-downs		
	77,423	66,664	66,664
	14,216	34,427	12,312
	6,674	15,059	5,590
	12	8,223	2,981
	-1,219	-386	-960
	83,734	77,423	69,445
	Group write-downs		
	27,126	18,551	18,551
	3,634	8,662	2,236
	2,439	0	785
	-201	-87	-150
	28,120	27,126	19,852
12	Bonds		
	Of which nominal TDKK 50,000 pledged as security for accounts with Danmarks Nationalbank		
13	Deposits		
	3,815,577	4,108,708	3,589,147
	280,906	303,562	250,431
	354,223	224,000	53,120
	108,089	105,207	101,567
	4,558,795	4,741,477	3,994,265

NOTES TO THE BALANCE SHEET

(DKK 1,000)	31 March 2016	31 December 2015	31 March 2015
14 Share capital			
Share capital consists of 1,800,000 shares of DKK 100			
Own holdings of capital investments			
Number of own shares	0	0	0
Nominal own holdings of capital investments	0	0	0
Percentage of share capital at year-end	0.00	0.00	0.00
15 Contingent liabilities			
Financial guarantees	1,200	1,200	0
Mortgage finance guarantees	624,260	617,967	536,913
Registration and remortgaging guarantees	76,058	49,137	266,258
Other guarantees	439,459	454,538	367,644
Guarantees, etc. in total	1,140,977	1,122,842	1,170,815
Provision balance for guarantees	5,879	7,620	11,168
Irrevocable loan commitments	180	180	2,714
Other contingent liabilities in total	180	180	2,714
16 Capital conditions and solvency			
Risk-weighted items			
Credit risk	3,441,361	3,375,264	3,410,078
Market risk	159,454	149,519	132,843
Operational risk	545,958	545,958	552,871
Weighted items in total	4,146,773	4,070,741	4,095,792
Capital rate	19.8	20.8	20.7
Core capital ratio	19.8	20.8	20.7
Statutory capital ratio requirements	8.0	8.0	8.0
Capital base	821,042	845,613	846,853
Core capital	821,042	845,613	846,853

MANAGEMENT STATEMENT

The Board of Directors and Executive Management have today considered and approved the quarterly report for the period 1 January - 31 March 2016 for the limited liability company, GrønlandsBANKEN A/S.

The quarterly report is presented in accordance with the Danish Financial Business Act, and the Management Review is prepared in accordance with the Danish Financial Business Act. The quarterly report is furthermore prepared in accordance with additional Danish disclosure requirements for listed financial companies.

It is our opinion that the quarterly financial statement gives a true and fair view of the bank's assets, liabilities and financial position as of 31 March, 2016, and of the result of the Bank's activities for the first quarter of 2016.

It is our opinion that the Management 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 of Greenland is subject.

26 April 2016

Executive Management

Martin Kviesgaard

Board of Directors

Gunnar í Liða
Chairman

Kristian Lennert
Vice Chairman

Frank Bagger

Anders Brøns

Christina F. Bustrup

Allan Damsgaard

Lars Holst

Yvonne Kyed

Arne G. Petersen

GrønlandsBANKEN A/S, Telephone no. +299 70 12 34