



Nuuk 9/3-2017

Notice of annual general meeting

NOTICE CONVENING THE ANNUAL GENERAL MEETING

GrønlandsBANKEN, Aktieselskab (the BANK of Greenland), will hold its annual general meeting on Tuesday, 28 March 2017 at 4pm at the BANK of Greenland's head office in Nuuk, with the following agenda:

1. The Board of Directors' Report on the Bank's activities during the past year.
2. Presentation of the audited Annual Report and auditors' report for approval and notification of discharge of the Board of Directors and Executive Management Board, approval of the remuneration of the Board of Directors and proposal for a decision on the allocation of profit or cover of losses in accordance with the approved Annual Report.

3. Proposal from the Board of Directors concerning the remuneration policy.

As a consequence of the Bank's compliance with the corporate governance recommendations and new legislation, the Board of Directors has adopted an amendment to the remuneration policy, for approval by the general meeting.

It is proposed that the remuneration policy be further specified, so that it now states which framework and criteria will apply to the Bank's awarding of any form of variable remuneration.

Furthermore, the Bank's procedures for the adoption of the remuneration policy and control of compliance with the policy have now been included.

4. Proposals for amendment of the Bank's Articles of Association.

It is proposed that Article 8 of the Bank's Articles of Association be adjusted, so that a term of validity of one year no longer applies to powers of attorney granted for general meetings.

An expected statutory amendment will remove the prohibition of powers of attorney with a term of validity of more than one year and the proposal is made so that in future it will be possible to use powers of attorney that are valid for a longer period than one year.

5. Proposal from the Board of Directors for authorisation to acquire the Bank's shares.

The Board of Directors proposes that the Bank be authorised during the period up to the next annual general meeting, and within 10% of the share capital, to acquire the Bank's shares at the listed price at the time of acquisition, subject to upward or downward deviation by up to 10%.

No proposals have been received from the shareholders pursuant to Article 7 of the Articles of Association.

6. Election to the Board of Directors:

In accordance with Article 13 of the Articles of Association, Gunnar í Liða, Christina F. Bustrup and Lars Holst are resigning members.

The Board of Directors proposes re-election of Gunnar í Liða, Christina F. Bustrup and Lars Holst.

A description of the candidates' background, as well as the criteria for recruitment to the Bank's Board of Directors, are stated in the annex to item 6 of the agenda.

7. Election of external auditors.

The Board of Directors proposes re-election of Deloitte, Statsautoriseret Revisionspartnerselskab, in accordance with the recommendation of the Audit Committee. The Audit Committee has not been influenced by any third parties and has not been subject to any agreement with a third party which restricts the general meeting's election of specific auditors or firms of accountants.

8. Any other business.

The agenda, the full wordings of the proposals and the audited Annual Report will be available for inspection at the Bank's head office, Imaneq 33, Nuuk, no later than 14 days before the annual general meeting.

Shareholders can obtain admission cards and the agenda from the BANK of Greenland, Nuuk - but no later than Monday, 27 March 2017. The material may also be requested via the Bank's branches.

Attendance of the general meeting is subject to the condition that an admission card has been requested by no later than Monday, 27 March 2017.

Please note that only the shareholders whose shares are registered by name in the Bank's share register by no later than prior to the convening of the general meeting, or who within the same deadline have registered and documented their acquisition, will be entitled to vote at the general meeting. The registration deadline does not apply, however, to shares registered by name that have been acquired by other means than transfer of ownership.

The Bank's nominal share capital is DKK 180,000,000 distributed as share denominations of DKK 100. Each share amount of DKK 100 entails one vote at the Bank's annual general meeting.

The BANK of Greenland's printed Annual Report for 2016 and power of attorney for the general meeting can be obtained by written request to the Bank's head office in Nuuk. The Annual Report is also available at www.banken.gl.

Nuuk, 9 March 2017
BOARD OF DIRECTORS



APPENDIX TO ITEM 3 OF THE AGENDA

Remuneration Policy for the BANK of Greenland

The BANK of Greenland's remuneration policy concerns the Board of Directors, Executive Management Board, and employees whose activities have a significant influence on the Bank's risk profile (significant risk takers), as well as other members of the staff of the BANK of Greenland.

The remuneration policy is intended to promote sound and effective risk management at the BANK of Greenland, and contribute to creating long-term value for the Bank's shareholders. The remuneration policy also complies with current legislation and the Corporate Governance recommendations.

Board of Directors

No variable remuneration elements are paid to the Board of Directors as salaries, shares, options or pension contributions.

Executive Management Board

The Executive Director will receive the contractually agreed fixed salary and pension, annual holiday trip, free car, telephone and Internet. The Executive Director will not receive any variable remuneration elements of any kind during his employment.

The Board of Directors has established an agreement with the Executive Director concerning a severance package which will be released and paid out when he leaves the company. Earning and granting of the right to the severance package will be conditional on the Executive Director's continued employment at certain fixed times, and will be based on the Bank's overall performance compared to banks of an equivalent size, measured in terms of working capital. The severance package will consist of 50% shares and 50% cash payment, and may constitute an amount equivalent to 0-24 months' salary.

Significant risk takers

The management of the Bank's compliance and the management of the Bank's control functions are designated as significant risk takers, which entails that the Bank's Deputy Managing Director and Chief Accountant are significant risk takers.

Employees whose activities have a significant impact on the Bank's risk profile (significant risk takers) will not receive any variable remuneration elements in the form of shares, options or pension contributions.

Significant risk takers may, however, as variable remuneration receive payment of a cash bonus of maximum DKK 100,000 per year. The criteria for allocation is an assessment of performance during the year, a particularly large work burden, a particularly satisfactory contribution, and a particular managerial contribution. Cash bonus to significant risk takers will not be awarded on the basis of any measurable achievement of, for example, sales or operational results, and is not dependent on results.

Other employees

Discretionary bonus

The BANK of Greenland may grant a discretionary bonus on the basis of an overall assessment and this bonus may not exceed DKK 100,000. Overall for the Bank, discretionary bonus may be granted for up to 2% of the Bank's total payroll. The criteria for allocation is an assessment of performance during the year, a particularly large work burden, a particularly satisfactory contribution, and a particular managerial contribution, and the bonus is not awarded on the basis of any measurable achievement of, for example, sales or operational results, and is not dependent on results.

Collective bonus scheme

For all other employees of the BANK of Greenland, a collective incentive scheme has been established, with payment based on the fulfilment of a number of general targets relating to e.g. finances and customer satisfaction. The background to the collective bonus scheme is to unite the Bank's employees in a joint effort to achieve the Bank's long-term goals. Under this scheme, a maximum of up to 4% of the Bank's total payroll may be paid out, and no more than DKK 20,000 to each employee. For 2016, the payment was DKK 15,000 to each employee. The scheme is reviewed once a year.

Furthermore, the Bank's remuneration of employees who advise on and provide or grant credit facilities against mortgages or other equivalent collateral security in real property is determined so as not to encourage risk-taking that exceeds the Bank's risk profile. Furthermore, the remuneration is independent of the number or proportion of applications granted for mortgage credit, or other types of sales targets.

Remuneration Committee

The BANK of Greenland has appointed a Remuneration Committee which comprises the Chairman and Vice Chairman of the Board of Directors and a member of the Board of Directors elected by the employees.

The Remuneration Committee annually reviews and assesses the remuneration of the Board of Directors and the Executive Management Board, including on the basis of the scope of work and comparable banks' remuneration. The Remuneration Committee ensures that the remuneration of significant risk takers is in accordance with the remuneration policy. On the basis of statutory requirements, the complexity of the business model and the Bank's development, the need to designate other significant risk takers is assessed. The Remuneration Committee will control the allocation of variable remuneration, including that no other type of variable remuneration is paid than is positively stated in the remuneration policy.

Adoption and annual review of the remuneration policy

The Remuneration Committee annually reviews the remuneration policy and submits amendments to the current remuneration policy for approval by the Board of Directors.

The Board of Directors will also review the remuneration policy once a year in order to match the remuneration policy to the Bank's development.

Amendments to the remuneration policy which have been adopted by the Board of Directors are submitted for approval by the general meeting.



Compliance with the remuneration policy and control of this compliance

The Board of Directors of the BANK of Greenland is responsible for the execution of the remuneration policy.

The Board of Directors of the BANK of Greenland will lay down guidelines for control of compliance with the remuneration policy, including to ensure control of compliance with the remuneration policy at least once a year. The result is reported to the Board of Directors.

13 February 2017

Remuneration Committee

Gunnar í Liða
Chairman

Kristian Lennert
Vice Chairman

Yvonne Kyed
Member of the Board of Directors

APPENDIX TO ITEM 6 OF THE AGENDA

Members of the BANK of Greenland's Board of Directors are in principle recruited on the basis of a wish for the members to collectively represent broad-based financial and accounting knowledge, business experience and in-depth insights into Greenland's economic and social conditions. New members of the Board of Directors are recruited on the basis of these criteria and not a formal process.

The following candidates are proposed for re-election at the annual general meeting on 28 March 2017:

Gunnar í Liða, born on 13 April 1960.

Member of the Boards of Directors of: Gist and Vist P/F (Chairman)

Gunnar í Liða holds an MSc(Econ) and was employed in the Faroese financial sector from 1988 to 2010 – until the end of 2010 as the 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 and a special insight into North Atlantic economic affairs and financing.

Joined the Board of Directors on 6 April 2005. Last re-elected in 2015.

Lars Holst, born on 15 February 1952.

Member of the Boards of Directors of: Vestjysk Bank A/S (Deputy Chairman)
Arkitektgruppen A/S
Vækstfonden (the Danish Growth Fund)

Lars Holst holds a degree in management accounting and an Executive MBA and has completed management programmes at Stanford University and IMD Business School. Lars Holst held positions at Nykredit from 1987 to 2014, and from 1995 until his retirement in 2014 served as credit director. Besides a number of Board positions in Danish financial enterprises and real estate companies, Lars Holst has been a member of the mortgage-credit sector's Greenland Committee (2004-2014), and the Danish Bankers Association's Credit Committee (2010-2014).

Joined the Board of Directors on 25 March 2015.

Christina F. Bustrup, born on 16 August 1973.

Managing Director of: Nærpension A/S

Christina F. Bustrup has an MSc in actuarial science and also holds executive management qualifications from IMD Business School, Franklin Covey and Center for Ledelse. Today, Christina F. Bustrup is Managing Director of Nærpension A/S, which is strategic cooperation in the life insurance and pension area between a large group of banks. Since 31 December 2010, Nærpension A/S has been a wholly-owned subsidiary of the AP Pension Group. Previously, Christina F. Bustrup served for many years as COO (Customer Director) in AP Pension.

Joined the Board of Directors on 25 March 2015.