

Translation from Danish by Danske Bank of a statement dated 19 April 2022 from the Danish Financial Supervisory Authority (Finanstilsynet). In case of discrepancies, the Danish version prevails.

MEMORANDUM

19 April 2022

Statement on inspection of Danske Bank Norway's impairment charges

Introduction

In October 2021, the Danish Financial Supervisory Authority (the Danish FSA) conducted an inspection of impairment charges made by Danske Bank Norway against loans to business customers.

The purpose of the inspection was to assess whether the bank had made adequate impairment charges at 30 June 2021, including in the light of the adverse effects of COVID-19 on the Norwegian and international economies. The Danish FSA also examined whether the loans were placed in the correct stages in accordance with the impairment rules.

Summary and risk assessment

The Danish FSA's assessment of the bank's staging and impairment charges was based on a review of loans to 55 business customers.

The Danish FSA found that the bank had generally placed loans and facilities in the correct stages in accordance with the impairment rules.

The Danish FSA also found that the bank's impairment charges made against the selected loans with objective evidence of credit impairment were necessary and adequate.