*[Translation of a statement from the Danish FSA (*Finanstilsynet*). In case of discrepancies, the Danish version prevails.]*

Danish Financial Supervisory Authority

MEMORANDUM

21 January 2011

Statement on inspection of Danske Bank in Finland

Introduction

In October 2010, the Danish Financial Supervisory Authority (FSA) inspected Danske Bank A/S's branch in Finland and its Finnish subsidiary, Sampo Bank. The subsidiary is supervised by the Finnish regulatory authorities. The inspection, which was conducted in co-operation with the Finnish regulatory authorities, was part of the FSA's supervision of the Danske Bank Group. The FSA performed a function-based inspection, that is, an inspection of one or more selected areas. The inspection involved the credit areas of the branch and the subsidiary bank.

This statement must be published in accordance with the Danish Executive Order on the Duty of Financial Companies to Publish the Danish FSA's Assessment of the Company (the Executive Order on Publication).

Summary and risk assessment

During the inspection, the FSA reviewed 335 lending exposures exceeding EUR 100,000. The exposures were broken down into various spot checks.

The FSA considered the risk on the majority of the bank's lending portfolio to be moderate. Many of the small loans are to a significant extent secured by a first-priority mortgage on real property.

In addition, the Finnish bank has some structured finance, that is the loan financing of purchases by equity funds and similar investors of holding companies with operating subsidiaries. The FSA considers structured finance to involve a higher risk. A number of these loans became a little less risky in 2010 owing to improved results in the subsidiaries and the low level of interest rates.

As a result of the inspection, the FSA ordered the bank to tighten its principles for making impairment charges for impaired loans, but the FSA did not contest the bank's general valuation of loans. Consequently, the inspection gave rise only to minor changes in impairment charges for loans.

In some instances, the bank's own classification of exposures appears deficient compared with the FSA's assessment of the current risk. The bank was therefore ordered to take this into consideration when assessing the need for collective impairments.

The bank was also ordered to increase its focus on data quality and on errors and omissions in systems and procedures.

The Danske Bank Group has calculated its solvency need at 30 September 2010 at 10.4%. Its actual solvency at 30 September 2010 was 17.4%. The inspection did not give rise to any change in the FSA's assessment of the Group's solvency need.