

Remediation update

27 APRIL 2022

PROGRESS OVERVIEW – REMEDIATION OF LEGACY ISSUES

This update provides an overview of the most significant recent developments on legacy issues overseen by Danske Bank's central remediation office.

For information about the status of the remediation of all legacy issues handled by the remediation office, please visit www.danskebank.com/remediationupdate.

Flawed data in debt collection systems

- Further analysis shows only 1 out of 610 decedent estate case with excess dividend: As communicated in September 2021, one of the additional potential issues related to data errors in our debt collection systems has led to too high a dividend to Danske Bank and too low a dividend to some other creditors in a number of closed estates. We identified a number of court cases relating to the estates of deceased persons, in which we had unfortunately not withdrawn or corrected the cases. Out of the 610 closed estate cases, we initially in September 2021 estimated a risk that we have received too high a dividend in 100 cases. Based upon further analysis, we have subsequently established that even though the bank did not send a corrected claim in the first place, we had the opportunity to correct it later in the process resulting in a low risk of excessive dividend to the bank. This is supported by our conclusion made in 2022 that our error has led to losses in only one of these cases, in which we submitted a claim, of approximately DKK 900 for a creditor.
- We continue the clean-up of our debt collection systems. In connection with this work, we have identified one further additional possible issue related to the change from one type of interest to another in 2012. Our preliminary analysis has shown that for some customers the change may have been disadvantageous and that the customers should have been notified of the change. We are still in the process of analysing the potential issue and will inform potentially affected customers as soon as possible.
- As part of the ongoing resolution of the issues, we have undertaken an assessment of whether the current debt collection system could be brought to a state where it could be used to resume debt collection. As the additional issues have continued to increase, our preliminary conclusion is that this will not be the case, and we are currently determining the appropriate solution for our future debt collection to enable customers to service their defaulted debt. We continue to expect to restart debt collection during 2023, beginning with the customers who entered debt collection after the summer of 2020.

Want to know more? [Get an overview of the issue](#).

Interest on reminder fees

- In the issue, which involves wrongful charging of interest on reminder fees, we have reduced the total number of potentially affected customers in Denmark by 30,000 and are now looking at a total number

of approximately 520,000, of which 418,000 have received compensation. 277,000 of these customers have received less than DKK 10, while the remaining 141,000 customers have received DKK 56 on average. The highest amount that we have paid in Denmark so far is DKK 4,049.

- During our ongoing remediation of the reminder fees issue, we have identified a similar issue in Realkredit Danmark. Our initial estimate is that 20,000-40,000 customers may be affected by this issue of wrongful charging of interest on reminder fees or too many reminder fees.
- We continue the disbursement of compensation for the same issue in Norway. 123,000 out of 184,000 potentially affected customers have received compensation or been requested account information. We expect that compensation for the vast majority of affected customers will be completed in the late spring of 2022. To date, the average compensation amount is NOK 386 and this average is expected to increase as we compensate more complex cases.

Want to know more? [Get an overview of the issue.](#)