

Remediation update

3 JUNE 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

- In our ongoing clean-up of our debt collection systems, we have identified approximately 1,000 debt customers – as part of the circa 5,500 customers we have compensated for overcollection. These customers no longer have an outstanding debt to the bank due to compensation for the original data errors in our debt collection system. We are therefore in the process of correcting the registered debt of these customers to zero and will, if necessary, correct already reported debt to the Tax Authorities. The customers are expected to be informed individually by end of June 2022.
- In our continued investigation of our debt collection systems we have identified one further additional issue related to interest, fees and costs incorrectly added to the principal. Our early estimate is that less than 100 customers potentially will be eligible for compensation due to overcollection in this context. As we are still investigating the issue the number is subject to change. We will inform affected customers as soon as possible.

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

Interest on reminder fees

- For the issue regarding the wrongful charging of interest on reminder fees or the charging of too many reminder fees at Realkredit Danmark, our early estimate is that approximately 40,000 customers are affected. We have begun to pay compensation to customers from whom we have wrongfully charged interest on reminder fees.
- In Norway 124,000 out of 184,000 potentially affected customers have received compensation or been requested account information. To date, the average compensation amount for this issue is NOK 386.

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

Discounts on foreign exchange trades and foreign exchange in connection with international payments

- As we have previously communicated, some customers, primarily business customers, have not received the correct discounts on foreign exchange trades and foreign exchange in connection with international payments. We originally expected to be able to repay the excess amount paid by the affected customers before year-end 2021. Due to the complexity of the issue, the repayment has,

unfortunately, been further delayed. We have now repaid about half of the affected customers, and apart from special cases, we expect to have made the remaining repayments before the end of June 2022. During the remediation work, we have recently identified a smaller number of additional cases that are potentially also affected by this issue. We are looking into these and affected customers will be contacted directly.

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

Update on progress on remediating issues within Tax Services that concern customers with custody accounts

- In October 2020, we identified 2 issues in our tax services related to the dividend tax on foreign securities and to our delivery of tax refunds on US securities. As result of our findings, we initiated a deep-dive across all markets in which we offer tax services to identify any additional issues. The deep-dive identified additional issues of which 7 issues were found to have potential customer impact. These issues relate to potentially incorrect pay-outs to customers, including differences in dividend payments, potentially incorrect tax benefits, and potentially incorrect tax reclaims.
- The 2 original issues, which affected 2,900 and 2,400 customers, have been fully remediated and closed, except for special cases which concern deceased customers and cases where we await a response from the customers. Special cases are handled as part of daily business operations.
- The 7 issues with potential customer impact have been analysed, and 5 are found to affect customers. For these issues we will inform affected customers during the summer and pay out compensation thereafter. The ambition is to fully remediate these issues end-Q3 2022.
- Based on the analysis of the 7 issues, we estimate that up to 2,500 personal and corporate customers may be affected across all markets in which we offer tax services as compared to our initial estimate of up to 6,000 potentially affected customers. We estimate the total financial impact to be approximately DKK 11.1 million, which is lower than our initial estimate of up to DKK 50 million.
- We have completed our investigation across all markets in which we offer tax services, and we have found 1 additional issue with an unsystematic and minor customer impact. We are further analysing the issue and planning the compensation to affected customers.

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