Translation from Danish by Danske Bank of a memorandum dated 4 December 2015 from the Danish Financial Supervisory Authority (*Finanstilsynet*). In case of discrepancies, the Danish version prevails.

M E M O R A N D U M

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Statement on review of the anti-money laundering area at Danica Pension

Introduction
In the period from March 2015 to November 2015, the Danish Financial Supervisory Authority (the FSA) conducted a review of Danica Pension to find out whether the company complies with current anti-money laundering (AML) rules.

Summary and risk assessment
In connection with the review, the FSA made an assessment of the company's inherent risk in the AML area on the basis of its business model, including customers, products, supply channels and geographical conditions as well as its size and market position.

Danica Pension is a wholly owned company of Danske Bank Group. At 31 December 2014, the company had about 566,000 customers, which makes it one of Denmark's largest pension providers.

Its supply of pension and life insurance products can be broken down into three categories:

- Company pension plans set up as part of an employment contract with contributions made via the employer. The plans are mainly compulsory company pension plans, but also include voluntary and individual company pension plans to a limited extent.
- Private pension plans set up on the basis of an agreement between the company and the customer with contributions made directly by the customer.
- Group life insurance policies typically taken out in connection with company pension plans with uniform contributions for all group members determined on the basis of the group's composition.

In comparison with other pension providers, the company has a relatively high share of private pension plans.

The FSA is of the opinion that the company generally has a very low risk of becoming the subject of money laundering or terrorism financing when offering either group life insurance policies or compulsory company pension plans. One reason is that there are a number of risk-limiting factors for these plans, including tax rules and the fact that all contributions are made via the employer.

The company's AML risks are thus considered most likely to occur in connection with contributions and payouts under the company's private pension plans, in particular in relation to private pension plans without tax deductibility. For these plans, the contributions are made by the customers themselves, and the origin of such contributions will therefore generally not be known to the company.

On the basis of its review, the FSA finds that the company's AML measures generally are sufficient. Therefore, the review has given the FSA reason to issue only a single item of risk information in relation to the company's monitoring of payouts at the surrender of insurance policies by policyholders.