

MEMORANDUM

The Danish Financial Supervisory Authority

27 March 2017

Statement on themed inspection of Danske Bank A/S (lending to the agriculture industry)

Introduction

In December 2016, the Danish Financial Supervisory Authority (FSA) conducted a themed inspection of lending to the agriculture industry at Danske Bank A/S.

The purpose of the inspection was to assess the quality of the bank's credit management, valuation methods, registration of objective evidence of impairment and impairment calculations for loans to the agriculture industry.

The inspection took place as part of a cross-sector review of the largest banks.

Summary and risk assessment

The FSA examined 30 loans, selected from among the weakest agricultural customers.

The bank's credit management of loans to the agriculture industry was generally satisfactory.

There was room for improvement in certain areas, for example regarding the quality of the bank's data about customers.