

Translation from Danish by Danske Bank of a memorandum dated 27 January 2017 from the Danish Financial Supervisory Authority (*Finanstilsynet*). In case of discrepancies, the Danish version prevails.

MEMORANDUM

The Danish Financial Supervisory Authority

27 January 2017

MORTGAGE-CREDIT DIVISION

File No. 6252-0407

Statement on inspection at Danske Bank A/S (cover pools etc.)

Introduction

In December 2016, the Danish Financial Supervisory Authority (the FSA) conducted an inspection (a functional inspection) at Danske Bank.

The inspection was a follow-up inspection to the inspection of Danske Bank's cover pools, including the ongoing monitoring (LTV ratios) of the assets in the cover pools and the bank's compliance with the balance principle in relation to the cover pools, which was conducted in June 2015.

Summary and risk assessment

The inspection of Danske Bank's cover pools in 2015 resulted in five orders. The FSA observed at the follow-up inspection that Danske Bank was in compliance with all five orders.