

[Translation of a statement from the Danish FSA (Finanstilsynet). In case of discrepancies, the Danish version prevails.]

**Danish Financial
Supervisory Authority**

MEMORANDUM

21 January 2011

Statement on inspection of Danske Bank in Luxembourg

Introduction

For three days in November/December 2010, the Danish Financial Supervisory Authority (FSA) inspected Danske Bank's subsidiary bank in Luxembourg, Danske Bank International S.A. The subsidiary bank is subject to supervision by the Luxembourg supervisory authority, and the inspection formed part of the FSA's supervision of the Danske Bank Group. The inspection was a function-based inspection of credits at the subsidiary bank.

This statement must be published in accordance with the Danish Executive Order on the Duty of Financial Companies to Publish the Danish FSA's Assessment of the Company.

Summary and risk assessment

The FSA inspected 128 loan exposures. Of these, 75 exceeded EUR 1 million and 53 were below EUR 1 million. The exposures were sourced from various samples.

The FSA considers the risk on the major part of the subsidiary bank's loan portfolio to be moderate as most of the aggregate exposure is covered by collateral. The collateral provided for a number of exposures include mortgages on property in Spain and France, etc. These are predominantly first-priority mortgages, and the FSA found the subsidiary bank's measurement of the value of the mortgages to be sufficiently cautious. The uncertainty relating to the valuation of property outside Denmark had been adequately taken into consideration through general deductions in the value of the collateral.

The inspection did not result in a requirement for increased loan impairment charges.

The inspection resulted in a discussion with Danske Bank about systems and procedures. Since the FSA considers Danske Bank's credit management to be good and the risk attached to the subsidiary bank's loan portfolio to be generally moderate, this discussion gave rise to orders of a more administrative nature only.

The Danske Bank Group calculated its solvency need at 30 September 2010 at 10.4%. Its actual solvency at 30 September 2010 was 17.4%. The inspection did not give rise to any change in the FSA's assessment of the Danske Bank Group's solvency need.