

The Danish Financial Supervisory Authority

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Statement on cyber stress testing of Danske Bank A/S

1. Introduction

Danske Bank A/S participated in the first round of cyber stress testing conducted by the Danish Financial Supervisory Authority (the Danish FSA) in 2023. A total of four SIFIs and three data centres took part in the test.

A cyber stress test is an analytical tool that tests the capability of an undertaking to handle a large-scale, prolonged cyber scenario that causes the IT systems of the individual undertaking to fail in whole or in part. In other words, the test checks the capability of the undertaking to maintain operations during an emergency situation when its IT systems do not function as normal. The test also assesses the IT technical preparedness of the undertaking to handle a large-scale, prolonged IT breakdown.

The test is carried out as a desktop exercise over a prolonged period of time and is based on a specific, but fictitious IT breakdown scenario. In a cyber stress test, the undertaking's cyber defence is assumed to have failed. Thus, the test is not a test of the undertaking's capability to defend itself, but a test of its capability to handle the consequences of an attack.

Further information about cyber stress testing is available in the Danish FSA's recently published report on the subject.

2. Summary

The test provided all the participating undertakings and the Danish FSA with relevant learning points and also strengthened the shared understanding of challenges and options in relation to the handling of large-scale, prolonged IT breakdowns. It was also confirmed to the participants that testing the contingency plan across business and IT systems is essential for the undertaking to be sufficiently prepared from the time such a serious breakdown occurs.

The test brought about five important learning themes for all the participants:

- Technical recovery
- Maintenance of critical business functions without normal IT systems
- Overview of the consequences of breakdowns
- Communication as part of contingency planning and crisis management
- Coordination of the contingency plan internally and between relevant parties

The test has not given rise to any supervisory reactions in respect of Danske Bank. Within the five themes, there are individual learning points for Danske Bank and for the other participants. All learning points aim to increase the operational robustness of the undertakings and the financial sector in general.