

22 April 2026

## **Statement on inspection of Danske Bank A/S's compliance function**

### **Introduction**

From February to April 2025, the Danish Financial Supervisory Authority (the Danish FSA) – together with the Norwegian and Swedish FSAs – conducted an inspection of Danske Bank's compliance function (Group Compliance).

Banks and mortgage credit institutions must have methods and procedures in place that are suitable for identifying and reducing the risk of non-compliance with legislation, market standards and internal rules (compliance risks). For this purpose, they must have a compliance function that operates independently and is responsible for checking and assessing whether these methods and procedures and the measures taken to remedy any deficiencies are effective.

The purpose of the inspection was to assess whether the compliance function operates appropriately and effectively and complies with the Danish Executive Order on Management and with ESMA's Guidelines on certain aspects of the MiFID II compliance function requirements.

The inspection was based on compliance risk in relation to the MiFID regulation on investor protection and the credit risk area.

The Danish FSA's observations were made on the basis of a review of Group Compliance's internal guidelines, selected risk assessments, investigation reports and management reporting, among other things. The Danish FSA also reviewed material from the risk management function (GRM) when assessing the bank's monitoring of compliance risk in the credit risk area.

### **Summary and risk assessment**

The compliance function must perform risk assessments and closely monitor the MiFID regulation. This is stated in ESMA's guidelines<sup>1</sup>.

Group Compliance organises its compliance activities on the basis of risk assessments. The inspection showed that the assessments and activities do not ensure sufficient focus on monitoring and assessment of the business units' compliance with the MiFID rules in particular.

The risk assessment of the MiFID rules on investor protection was made in 2020. Consequently, Group Compliance did not have updated insights into the business units' level of compliance with the rules. The risk assessment is supplemented by other processes but they cannot mitigate the risks resulting from the lack of updated risk assessments.

The bank has therefore been ordered to ensure a timely and comprehensive risk assessment of the MiFID regulation. The same applies to other significant rules that Group Compliance is responsible for monitoring.<sup>2</sup>

The monitoring of compliance risk within the financial risk area is managed by GRM.

GRM does not carry out risk assessments and does not have any plans for how to monitor compliance risk in relation to the rules related to credit risk. Moreover, GRM does not have adequate instructions and SOPs in place that describe the tasks, roles and responsibilities of the function in relation to compliance risk.

---

<sup>1</sup> ESMA's Guidelines on certain aspects of the MiFID II compliance function requirements (ESMA35-36-152).

<sup>2</sup> See section 17(1) of the Danish Executive Order on Management and Control of Banks etc. (the Danish Executive Order on Management).

GRM does not sufficiently check and assess whether methods and procedures and the measures taken to address any deficiencies are effective.

Group Compliance has the overall responsibility for the oversight of all the Group's compliance risks. Therefore, Group Compliance performs regular assessments of risk areas covered by GRM, including the credit risk area, to ensure that the framework for handling compliance risk in GRM is sufficient. Group Compliance did not discover the deficiencies in the monitoring of compliance risk within the credit risk area.

The bank has therefore been ordered to ensure that the Group carries out sufficient monitoring of compliance risks in the financial risk areas and of the non-financial risks where GRM is responsible for monitoring<sup>3</sup>.

The inspection did not give rise to any changes to the bank's solvency need.

---

<sup>3</sup> See section 17(1) of the Danish Executive Order on Management and Control of Banks etc. (the Danish Executive Order on Management).