

The Danish Financial Supervisory Authority

23 June 2026

Statement on inspection of Danske Bank A/S's business exposures in Finland

In March-April 2026, the Danish Financial Supervisory Authority (the Danish FSA) conducted an inspection of Danske Bank A/S's business exposures in Finland.

The purpose of the inspection was two-fold. One purpose was to assess whether the bank's impairment charges against business loans in Finland at 30 September 2025 were in compliance with the Danish Executive Order on Financial Reports¹. The inspection included an assessment of whether the bank had responded adequately and in a timely manner to signs of weakness, whether loans had been placed in the correct stage for accounting purposes and whether adequate impairment charges had been recognised for customers with objective evidence of credit impairment (OEC). A total of 49 cases were reviewed.

The other purpose was to assess the bank's risk appetite in relation to the approval of business loans in Finland, including the increase of existing loans. A total of 50 cases were reviewed.

Summary and risk assessment

In its review of loans granted to weak customers, the Danish FSA identified one or more errors in 16 of the 49 cases reviewed.

- In four cases, the Danish FSA identified errors and deficiencies in the bank's review of accounting records. In three of these cases, financial information was so inadequate that analysis and follow-up could not be performed without further discussion and collection of supplementary material from the bank. The review of the 50 cases selected for purposes of assessing the bank's risk appetite in relation to the approval of loans identified the same problems for five of the weak customers.
- In another four of the 49 weak-customer loan cases, the Danish FSA identified errors and deficiencies in the management of signs of weakness for accounting purposes. In two cases, the bank had not identified any OEC at 30 September 2025, which resulted in additional impairment charges of DKK 25.5 million. However, prior to the inspection, the bank had identified and made the necessary impairment charges. In two other cases, the bank had failed to sufficiently follow up on negative information, which resulted in an excessively good rating and placing of the customer in stage 1 for accounting purposes instead of stage 2.
- In 11 of 35 cases for which action plans were required according to the bank's business procedures, the Danish FSA identified errors and deficiencies in the action plans drawn up. There was a lack of documented concrete and forward-looking measures, or insufficient reasons had been provided for the strategy chosen and how the bank viewed and followed up on measures implemented.

¹ Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.

On the basis of the inspection, the bank has been ordered to ensure that specific, forward-looking action plans are drawn up for exposures that carry a higher risk than desired and that these are followed up on a sufficiently regular basis with detailed comments².

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

² Schedule 1(xxi) of the Danish Executive Order on Management and Control of Banks etc.