

**THE DANISH FINANCIAL SUPERVISORY AUTHORITY**

1 July 2026

BANKING DIVISION 2

25-024960

/ESVE

MEMORANDUM

**Statement on inspection of Danske Bank A/S's front office function**

In January-February 2026, the Danish Financial Supervisory Authority (the Danish FSA) conducted an inspection of Danske Bank A/S's front office function. The front office function comprises units having direct contact with customers or markets, for example in connection with trading and the provision of advisory services.

The inspection focused on the bank's risk management practices and strategy in respect of the front office function and was based on the bank's trading portfolio activities.

The bank's procedures for trade losses and escalation incidents are not sufficiently well defined in the bank's governance documents, and the lack of clarity may mean that the Board of Directors is not informed in a timely manner about unwanted risk levels, thus preventing it from taking timely measures to reduce the risk. The bank has stated that it will clarify the escalation process in its governance documents.

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