Translation from Danish by Danske Bank of a statement dated July 2015 from the Danish Financial Supervisory Authority (*Finanstilsynet*). In case of discrepancies, the Danish version prevails.

July 2015

## Statement on inspection of Danske Bank A/S's market risk area (calculation and reporting of income and risk in business areas)

## Introduction

In January 2015, the Danish Financial Supervisory Authority (the FSA) conducted an inspection at Danske Bank A/S of the bank's calculation and reporting of income and risk in the market risk area of the business areas.

In connection with this inspection, the FSA followed up on an order to the effect that the bank must calculate the relationship between income and risk in the market risk area of the business areas with a view to providing management with a clear picture of the sources of income and of whether income is commensurate with the risk taken. The order was given on the basis of an independent investigation of the bank's market risk area in 2013.

The FSA's inspection also covered an assessment of whether information about the relationship between income and risk forms part of management reporting on the market risk area and of the basis for management decisions.

## Summary and risk assessment

The FSA finds that the bank is able to calculate income and risk in the market risk area at a sufficiently detailed level.

The FSA also finds that information about the relationship between income and risk forms part, to a satisfactory extent, of regular management reporting on the market risk area under the Danish Executive Order on Management and Control of Banks etc., and of the basis for management decisions of a strategic nature.