

The Danish Financial Supervisory Authority  
12 October 2022

## **Statement on inspection at Danske Bank A/S (money laundering and terrorism financing)**

### **Introduction**

On 18 May 2022, the Danish Financial Supervisory Authority (the Danish FSA) conducted an inspection at Danske Bank A/S (the bank). The inspection comprised the bank's organisation, risk assessment, policy and written business procedures in relation to terrorism financing. The inspection also comprised the bank's transaction monitoring as well as the bank's compliance with the duties to investigate, to register and to report and the requirements for internal controls in relation to terrorism financing.

### **Risk assessment and summary**

Danske Bank is the largest financial institution in Denmark. The bank provides all types of banking services ranging from simple deposit accounts for personal customers to complex financial products for investors and full-service banking solutions for business customers of all sizes as well as asset management and investment services.

The bank has a very large number of personal, business and institutional customers, and many customers have complex group structures and/or financial arrangements. A large number of customers reside or are domiciled outside Denmark, and a large number of personal customers are distance customers.

The bank has subsidiaries, branches and representative offices in a number of foreign jurisdictions. The volume of transactions, including cross-border funds transfers, is considerable, and a large number of customer transactions are executed via Danske eBanking or through cash handling. In its national risk assessment of terrorism financing in 2019 and its national risk assessment of organisations in 2020, the Danish Security and Intelligence Service (PET) stated that money transfers for terrorism purposes are largely made by bank transfer.

The bank also has considerable activities in securities trading, trade finance and private banking and cooperates with a large number of cross-border correspondent banks.

This being the case, the Danish FSA assesses that the bank's inherent risk of being used for money laundering and terrorism financing is high.

The observations made by the Danish FSA during its inspection have not given rise to any supervisory reactions.