

Board of Directors and Executive Board of Danske Bank A/S

Date: 09.12.2022

Case officer: AKB

File no.: SØK-84360-00042-18

NSK | National Special
Crime Unit

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NOTICE OF FINE AND CONFISCATION

Danske Bank A/S
Central Business Register (CVR) No. 61126228,
Holmens Kanal 2-12
DK-1060 Copenhagen K,

is charged with

violation of section 373(5), cf. subsection (2), cf. section 71(1)(i) and (iv)-(vii), of the Danish Financial Business Act, and of section 78(4), cf. subsections (1) and (2), cf. section 25(1), (2) and (3), section 26(1) and (3), and section 11(1)(v) of the Danish Money Laundering and Terrorism Financing Act (previously section 37(7), cf. subsections (1) and (2), cf. section 6(2), cf. subsection (1), cf. section 7(1), 2nd sentence, and subsection (3), and section 12(5) of Danish Act No. 1022 of 13 August 2013),

by, in the period before end of 2017, having failed to have effective business management procedures in Danske Bank A/S, Holmens Kanal 2-12, Copenhagen, in that the bank had neither 1) a clear organisational structure with well-defined, transparent and consistent division of responsibilities; 2) proper procedures to identify, manage, monitor and report on the risks to which the bank was or could be exposed; 3) the resources necessary for proper carrying out of the bank's activities, and appropriate use of them; 4) adequate procedures with a view to separating functions in connection with the handling and prevention of conflicts of interest; nor 5) adequate internal control procedures, and that the bank did not perform sufficient ongoing transaction monitoring and investigations of transactions, recorded or retained the results of such investigations, stopped transactions and timely notified the State Prosecutor of this; in that the bank:

- failed to ensure integration of compliance and AML of the Baltic units into the Group functions and did not ensure sufficient quality;
- failed to ensure adequate follow-up on the allegations made by the whistleblower, including to ensure investigation into suspicions of employees collaborating with customers in criminal activities or knowing of customers' criminal activities and relocation of employees under suspicion;
- failed to ensure a sufficiently prompt close-down of the part of the non-resident customer portfolio that related to customers who did not have a personal or commercial connection to the Baltic countries;



- failed to ensure adequate and timely investigations into the conditions at the Estonian branch in order to mitigate the consequences of inadequate AML measures and form a general overview of what had happened, in that the bank did not until late launch an investigation into the extent of suspicious transactions and customer relationships resulting from the inadequate AML measures in the Estonian branch; and
- in the period before 31 January 2016 carried out transactions for a number of the bank's Estonian branch's suspicious non-resident customers for an amount of not less than DKK 14.000.000.000.

The fine is set at

DKK 3,500,000,000

In determining the fine it has been taken into account as mitigating factors that Danske Bank A/S has cooperated with the police and prosecution in the investigation of the matter and that Danske Bank A/S has taken initiatives to remedy the circumstances that led to the punishable offences.

Acceptance of the fine implies acceptance of confiscation of DKK 1,249,000,000 pursuant to section 75(1) of the Danish Criminal Code.

The prosecution and the defendant have agreed that this notice of fine, the wording and amount of which have been agreed upon, shall form the basis of a hearing under section 899 of the Danish Administration of Justice Act.