

## **The Danish Financial Supervisory Authority**

### **Statement on AML inspection at Danske Bank A/S's CSD unit in Vilnius, Lithuania**

#### **Introduction**

On 21 November 2019, the Danish Financial Supervisory Authority (the Danish FSA) conducted an inspection at the Customer Services Delivery (CSD) unit of Danske Bank A/S (the bank) in Vilnius, Lithuania. The inspection was conducted as a function-based inspection in the AML area as part of the ongoing supervision of the bank and the Group. The CSD unit performs a number of background functions at the bank on behalf of several of the bank's units outside Denmark in the AML area, including obtaining and maintaining customer data, transaction monitoring and sanctions screening.

#### **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 high number of personal, business and institutional customers, and many customers have complex group structures and/or financial arrangements.

One purpose of the inspection was to examine what tasks are performed by the CSD unit at the bank in the AML area, how the work at the unit is organised and whether the cooperation and communication between the unit and the bank's other units function appropriately in terms of the bank's compliance with the AML rules. Among other things, the inspection focused on whether there were any circumstances preventing the tasks from being undertaken in a secure manner, including, in particular, the fact that the unit is located in another country than the units that are responsible for onboarding and monitoring customers.

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