



## FINANTSINSPEKTIOON

Financial Supervision Authority

Finanstilsynet  
Aarhusgade 110  
2100 Copenhagen  
DENMARK

October 2009 No 4.7-1.1/1461-

### Notice of conducted on-site examination

According to the MoU between Danish FSA and Estonian Financial Supervision Authority (hereinafter the EFSA) regarding co-operation in the field of on-site inspections we would like to inform you about the results of the on-site examination (hereinafter the Examination) of Danske Bank A/S Eesti filiaal (hereinafter the Branch).

The scope of the Examination was an assessment of the Branch's activities in fulfilling the compliance measures provided in Money Laundering and Terrorist Financing Prevention Act (effective since 28.01.2008). The particular interest was given on measures applied for identification of beneficial owners of non-resident legal persons, as well on measures imposed for verification relevant information and data justifying the relations between the declared economic activities and source of funds.

The previous on-site examination on the referred subject was conducted in March-April 2007. As a result of the previous on-site examination the EFSA issued mandatory precept to the Sampo Bank.

The Examination took place from 01.06 to 19.06.2009 and the preliminary report was presented to the Branch in August. After receiving the comments from the Branch the final report was given to the Branch on 15.10.2009.

In the due course of the examination all the relevant procedures and the duties of the AML compliance personnel were assessed and sample checks were made on customer's files registered in the low tax regions or jurisdictions.

#### The general results of the assessment:

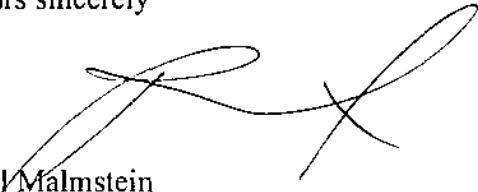
- Branch has reacted adequately on the requirements set in the mandatory precept of the EFSA from 2007.
- There was noted positive shift in rising of employee's awareness on risks related to AML issues. The issue of potential reputation damage and AML risk was well recognized in all management levels. The relevant procedures and controlling mechanisms were established and relevant resources allocated.

- According to the final conclusion of EFSA most of relevant internal procedures have been updated, including the procedures concerning establishing and maintaining business relationships with customers having high risk profile. The internal procedures were largely in line with legal requirements and international AML standards.
- In course of on-site examination there was discovered some weaknesses in executing the requirements of internal procedures by customer managers of private banking department. Particularly the requirement for updating of customers profile and relevant information was insufficiently met.
- In course of examination the EFSA advised Branch to make the relevant practice of customer managers more exhaustive, in order to keep updated the information of beneficial owners, actual economic purposes and business partners.

According to the EFSA's considerations reflected in the final report and based on the comments submitted by the Branch, the Branch is aware of the potential risks and has implemented measures, which are in line with the highest international standards and adequate for maintaining business relationships with non-resident customers.

In case you might need any further information in regard of abovementioned examination, please do not hesitate to contact us.

Yours sincerely



Raul Malmstein  
Chairman of the Management Board

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