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[News](#)

Today, 19 September, [Danske Bank A/S published a summary](#) of its internal investigation report on the servicing of non-residents at Danske Bank Estonian branch.

“The investigation report of Danske Bank confirms the results of supervisory proceedings conducted by Finantsinspeksioon at Danske Bank Estonian branch in 2007-2015 and is clear evidence of the extent of the deficiencies that existed at the bank. The report describes serious shortcomings in the organisation of Danske Bank, where risk-appetite and risk control were not in balance”, said Kilvar Kessler the chairman of Finantsinspeksioon. “We will study the report carefully and decide the next steps to be taken together with the Danish financial supervision authority, which is the primary home supervisor of the bank”.

After numerous interactions with Danske and other parties, Finantsinspeksioon of Estonia carried out thorough on-site inspections in 2014 and following these it ordered Danske in 2015 to rectify its flawed risk control organisation. As a result, Danske exited the market serving non-resident customers.

“The market feels the presence of Finantsinspeksioon and our work has had material results”, said Mr. Kessler. “It was a challenge for Finantsinspeksioon in 2014 and 2015 to resolve the Danske Bank case and gather detailed evidence to accomplish that. Our vigorous work has meant that other important risks in the Estonian market have been mitigated in recent years on top of the Danske case.

“Finantsinspeksioon works relentlessly to ensure that the Estonian market remains transparent and sustainable. This case shows the importance of international cooperation between financial supervisory authorities and between law enforcement agencies”.

Background

Finantsinspeksioon is a financial supervision and resolution authority with autonomous competence and a separate budget; it works on behalf of the Republic of Estonia and is independent in its decision-making.

Finantsinspeksioon conducts financial supervision of the regulated financial market, monitoring that the risks taken by financial institutions are covered by capital, and that management and organisation follow the legal requirements and the risks of the institution.

The main task of Finantsinspeksioon is to maintain the stability and transparency of the regulated financial market. As the financial supervisory authority, Finantsinspeksioon has the role in combating

money laundering of ensuring that the risk management frameworks of financial institutions are in line with the legal requirements and with their risk-appetite.