Translation from Danish prepared by Jyske Bank of a statement issued by the Danish Financial Supervisory Authority (Finanstilsynet). In the event of any discrepancy between the Danish version and the English version, the Danish version shall prevail.

Report on money-laundering inspection of Jyske Bank A/S relating to correspondent banking relationships

Introduction

In May 2024, the Danish Financial Supervisory Authority (the FSA) inspected Jyske Bank A/S (the Bank). The inspection was an investigation of the money-laundering area. The inspection comprised the Bank's risk assessment, policies, business procedures and internal control procedures relating to respondent banks. The inspection also covered the Bank's customer due diligence procedures and monitoring regarding the Bank's respondent banks, including investigations of alarms and notifications to the Money Laundering Secretariat. In addition, the inspection covered the Bank's sanction monitoring of clients and the handling of evasion risks in the sanction area.

Risk assessment and conclusion

The Bank is a large Danish financial institution. The Group's geographic market area for personal and corporate clients is Denmark. The Bank has 92 branches throughout Denmark and a branch in Hamburg. In addition, the Jyske Bank Group includes three subsidiaries: Jyske Realkredit A/S, Jyske Finans A/S and Jyske Invest Fund Management A/S. For Jyske Finans the market area is both Denmark and Sweden.

In principle, the Bank offers all financial services. The business model is complex with a varied product range and a broad target group consisting of personal and corporate clients primarily in Denmark. Yet, the Bank has respondent banking relationships in other countries.

The FSA assesses that the Bank's inherent risk of being used for money laundering purposes or financing of terrorism is high. The FSA's assessment is based on the fact that the Bank offers a wide range of financial services products and that the Bank has respondent banking relationships albeit not to a large extent. The latter involves a special risk due to the lack of transparency relating to the transactions which are made on behalf of 'the client's clients', as well as the complexity involved in implementing customer due diligence on respondent banks.

The inspection did not give rise to any reactions from the Danish FSA.