

The English text below is a translation carried out by a professional translation agency on behalf of Arbejdernes Landsbank. You can see the original Danish report here: [Redegørelse om inspektion i Aktieselskabet Arbejdernes Landsbank \(finanstilsynet.dk\)](#)

May 2023

Report on inspection of Aktieselskabet Arbejdernes Landsbank

Introduction

In November 2022, the Danish FSA performed an inspection at Aktieselskabet Arbejdernes Landsbank (the Bank). The inspection was an examination of the anti-money laundering area. The inspection covered the Bank's customer knowledge and the risk categorisation of customers, with particular emphasis on politically exposed persons and beneficial owners. Moreover, the inspection covered transaction monitoring by the Bank, as well as the Bank's duty to investigate, record, store and report.

Risk assessment and summary

The Bank's business model is based on traditional banking services as a nationwide bank with a significant concentration in large Danish towns and cities. The Bank has focus on private customers, associations and organisations, as well as small and medium-sized businesses.

The Bank has 61 branches and six local business centres and one office for housing associations. The Bank also has a subsidiary, AL Finans, which offers factoring and leasing. The Bank has a majority shareholding in Vestjysk Bank.

The Bank has a total of around 335,000 customers, of which the majority are private customers.

The Bank therefore constitutes a major Danish bank (SIFI). On the basis of the size of the Bank and its product range, including full-service banking solutions, the Danish FSA assesses that the Bank has a high inherent risk of being misused for money laundering and financing of terrorism.

On the basis of the inspection, a number of areas have given rise to supervisory reactions, see section 51 of the Anti-Money Laundering Act.

The Bank has received a reprimand because the Bank failed to ensure that it had identified and collected information about the beneficial owner(s) of approx. 5,000 business customer relationships before the end of November 2022.

The Bank has received an order to ensure that the Bank includes all relevant risks in its transaction monitoring of business relationships, and that it includes knowledge about other customers with another risk classification which have access to customer accounts.

Finally, the Bank has received an order to investigate the background and objective of all complex and unusually large transactions, as well as unusual transaction patterns and activities with no visible financial or demonstrably lawful purpose, with a view to ascertaining whether there is any suspicion or reasonable grounds to assume that such transactions or activities are, or have been, linked to money laundering or terrorist financing. The Bank shall also immediately review and reduce the accumulated backlog of alerts.