



**INTERNATIONAL SECURITIES ASSOCIATIONS &
FOUNDATIONS MANAGEMENT COMPANY**

FOR DAMAGED DANSKE INVESTORS LLC

Danske Bank A/S Danish Litigation

Case Background, Timeline, and Update



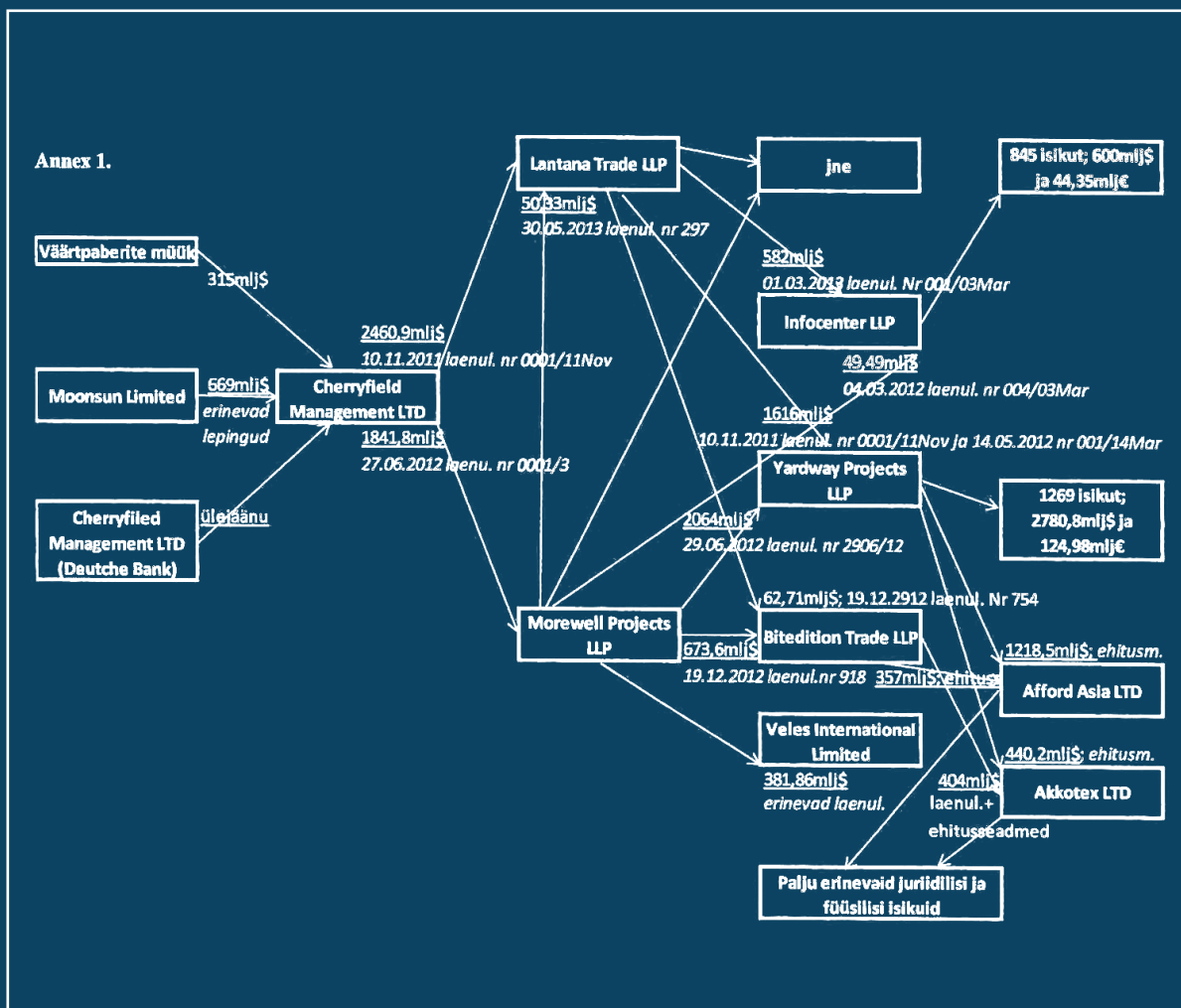


Diagram from an Estonian audit report showing transactions among the so-called Lantana complex of companies. Every day for many years, mEUR 7 flowed between these companies' Danske Bank accounts, all connected to Russian president Vladimir Putin's brother Igor.

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Update at a glance

It is typically not the crime that poses the most issues for criminals, it is the cover-up. In Danske Bank's case, their Baltic criminal activities have become near-synonymous with money-laundering. And the way the Bank has dealt with the fallout has been almost more problematic.

Profiting massively from its money-laundering operation for many years, Danske Bank and its highest echelons have gone to extraordinary lengths to plead surprise and ignorance. And with every new revelation of wrongdoing, their surprise has become increasingly less plausible. The bank's leadership decided to sweep their embarrassment under the rug by promising to act swiftly and comprehensively. And then when pesky news reporters started to peel away layers of denial and lack of action, the bank changed the story for what it knew when. All this, while giving all appearances to its stockholders that its earnings were above board.

Implausible denials

Time and again Estonian, Danish, and even Russian supervisory authorities were sounding the alarm with enforcement orders, reprimands, warnings, and threats of criminal prosecution. To make matters worse, newspaper reporting and leaks were able to show that the bank and its top executives had a tomb of evidence at their feet overflowing with repeated warnings by internal whistleblowers, international law firms, and even its correspondent bank partners.

Danske Bank Group could either address the staggering scale of its problem and limit the damage to its shareholders; or it could delay, stall, and postpone.

At every turn, the bank—surely the most incurious financial institution in modern times—seems to choose the latter.

Still “not in a position to contest a lot”

Danske Bank has acknowledged multiple times publicly that it was at fault but still engages in a bizarre dance of public contrition. It steps forward by giving the appearance of addressing the most critical elements of its systemic culpability, but then steps back with litigation bluster and evasion.

It is generally accepted that Danske Bank Group's top management knew of the money-laundering scheme far earlier than acknowledged; that there were massive holes in the due diligence performed when it acquired a number of almost ready-made Baltic laundromats; that its Estonian branch falsified records; and that the Group engaged in extreme corporate malfeasance by touting its purported anti-money laundering policies and practices for many years while never being all that curious about its outsized earnings. In the words of Danske Bank acting CEO Jesper Nielsen in 2018, Danske Bank is “not in a position to contest a lot.”¹

That is well documented. And that is where we are today, hundreds of civil lawsuits pending—the ISAF-Danske coalition suits included—as well as numerous international and local criminal charges and regulatory investigations.

* * *

As we await developments on these multiple fronts, we are here providing a brief timeline and an overview of the ongoing civil and criminal proceedings of which we are aware for your review.

More questions than answers

Our researchers are in the process of analyzing various leads: among them, Danske Bank's true potential liability; what Danske Bank's top executives knew when; whether senior Danske Bank senior executives have been silenced, why clear leads were not pursued by the Danish authorities; and Danske Bank's approach to what can charitably be described as an incremental approach to releasing damaging information.

Since our last update following Danske Bank's internal investigation and its lacking September 2018 Bruun & Hjejle Report, the Bank has completed yet another internal investigative report.² Given the blowback from its first 2018 report, it is not surprising that, this time, it was submitted to the Danish authorities in confidence—and only to the Danish authorities. No media circus. No promises of improvement.

The first report was widely criticized for its very narrow scope, its flawed methodology, and the suspicion that the investigating law firm's status as the Bank's normal legal outside counsel made it far less "independent" than it claimed. We have subsequently discovered that the Danish and English versions are completely contradictory in places on critical points. Apart from these issues, the report left a host of unanswered questions into Danske Bank's public claims.

Among others (there are far too many to list here):

Due diligence Why has no one examined in detail the obvious lack of due diligence regarding Danske Bank's acquisition of a what appears to be a number of fully functioning Baltic laundromats in 2007 in a Russia-facing neighborhood, known to be particularly hospitable to money laundering?

Transaction analysis Why was no transaction-by-transaction analysis conducted? Danske Bank has claimed that it lacked the resources to do so. By comparison, Clifford Chance's Swedbank report did a transaction-by-transaction analysis of 30 billion transactions, 160 million customer records, and 38 terabytes of data.³

Source material Why were internal investigators not given direct access to primary source material in conducting the investigation but were instead relying on summaries, preprocessed figures, and pre-screened documents?

Parsifal Why did Danske Bank fire its detective firm Parsifal in 2014 in the immediate wake of whistleblower Howard Wilkinson's warnings?⁴

Remaining customers Bruun & Hjejle noted that only 6,200 suspicious customers, out of the approx. 10,000 customers in the non-resident portfolio, had been reviewed at the time the report was published. It had found the "vast majority" suspicious. Later in the report, it notes that it had yet to examine 8,800 customers deemed less suspicious. What were the findings?

Investigator independence The investigation was conducted by Danske Bank's Compliance Incident Management Team alongside Ernst & Young. To what degree might Ernst & Young's audit and endorsement of Danske Bank A/S's 2014 annual and consolidated financial statements—an absolutely central point in time in the money-laundering scandal—have influenced their investigative work?⁵

Latvia, Lithuania, Russia After the Bruun & Hjejle Report was presented at the press conference in September 2018, Danske Bank appears to have expanded its investigation geographically beyond Estonia, to Latvia, Lithuania, and Russia.⁶ What were the findings?

Foreign exchange As for the approximately 10,000 customers in the Non-Resident Portfolio from 2007 through 2015, there were payments in 32 different currencies, most by far in USD and EUR.⁷ How much did Danske Bank earn on foreign exchange transactions, spreads, and what was the involvement of Danske Bank's FX desk in Copenhagen in executing trades?

Fees and commissions Given that the Estonian branch processed 9.5 million payments—nearly all suspicious—for non-resident customers at a USD 90 per-transaction fee, what were the full earnings in fees and commissions from those customers?⁸

Three-fold increase How can figures under "fee income, total fees generated by activities" in the Bank's 2017 and 2018 Annual Reports be identical? Income from fees generated by activities seems to increase three-fold from 2018 to 2019. Danske Bank stops reporting income from external customers/Baltics in 2012, in 2013 the figures are missing, and then the Bank starts reporting for the three Baltic nations individually—and the bank's income continues to decline.

Declining income Income from external customers in the Baltics geographic segment seems to decline steadily from 2009 until Danske Bank ends reporting for that segment in 2013. How is this possible, given its record-high profits?



Danske Bank

Timeline of Danske Bank's unfolding scandal

To provide a wider context for understanding Danske Bank's past conduct, its current litigation posture, and our current research, we are here presenting a brief timeline of the Danske Bank money-laundering scandal as it has unfolded so far.

We have relied as little as possible on Danske Bank's own flawed Bruun & Hjejle investigation, and have instead based the timeline almost entirely on Danske Bank's own investor reporting and our analysis of the past three years' thousands of local news reports, and the detailed investigative reporting produced by various leaks.

Seed sown

The Soviet Union is dissolved and Eesti Forekspank, the precursor to Danske Bank Baltic operations, is established in the disarray. As its name suggests, the bank was set up to conduct cross-border lending and foreign exchange. By 1997, it had become particularly popular among newly wealthy Russian customers.⁹

1992



1998

Eesti Forekspank is merged with Eesti Investeeringispank

The Russian government devalues the ruble, defaults on domestic debt, and declares a moratorium on repayment of foreign debt, which triggers a financial crisis in the Baltics. The Estonian Central Bank merges Eesti Forekspank with Eesti Investeeringispank to produce Optiva Pank, with the central bank holding a 60% stake.¹⁰

August

Estonian Central Bank sells Optiva Pank to Finnish Sampo Bank

The central bank sells the Estonian bank to the Finnish bank Sampo Bank, which renames it AS Sampo Bank. The Estonian bank continues to build East-facing customer relationships and liberally accepts deposits from customers in Russia and other former Soviet states.

2000



2001



New CFO of Sampo Bank

Ivar Pae appointed CFO. Served from 2001 to 2007 in Sampo. Rose in the ranks of Danske Bank Estonia until he was fired as its CEO in June 2018 as the money-laundering scandal broke.

2004

Baltics join EU

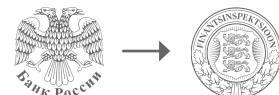
Baltics banks become more interesting to potential suitors as Estonia, Latvia, and Lithuania join the EU.



2006

Early pre-acquisition warning from Russia

Deputy chair of the Russian Central Bank, Andrey Koslov, warns the Estonian FSA about Sampo Bank illegal dealings with criminal Russian elements.¹¹



"Project Red" takes shape

Under the unironic code name "Project Red," Danske Bank performs due diligence of the Sampo Bank acquisition.

Russian Central Bank Deputy Chair Koslov and driver assassinated



Danske Bank announces Sampo Bank acquisition

Danske Bank announces its acquisition of Sampo Bank of Finland for some bEUR 4, a price considered by many analysts as very high.¹² As Danske Bank noted: Its "subsidiaries in Estonia, Latvia and Lithuania have shown considerable growth . . . Recently, Sampo Bank took over Industry and Finance Bank in St. Petersburg, which serves primarily large Finnish corporate customers doing business in Russia. This bank is included in the purchase."¹³



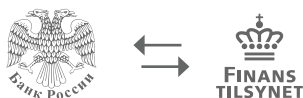
2007

Danske Bank Group has sights set on high earnings from Baltics

At the infamous September 2018 press conference where Bruun & Højle's investigation was presented, Ole Andersen noted in closing—infelicitously in terms of downplaying potential liability of profits harvested from the Baltics— "Earnings were high. Already from the time of acquisition in 2007."¹⁵

Danske Bank acquisition of Sampo Bank takes effect

Danske Bank formally takes over the three Baltic banks' 270,000 customers and 44 branches and thus inherits a sizeable portfolio of non-resident customers of which a significant portion was Russian. Danske Bank promises that its Baltics operations will be migrated to the Group's IT platform fully over the course of 2009.¹⁶



Estonian FSA issues highly critical inspection report

The inspection concluded that the Bank failed to comply with legal requirements and international standards and ordered the Bank to close accounts.

Reply references recent inspection report from the EFSA misstating its conclusion that the bank complies with existing laws and regulations, and that the Estonian FSA had no "material observations". The reply also stated that the AML concept of Danske Bank Group had been implemented in the Estonian subsidiary, and that reporting lines had been set up.

Danske Bank discontinues IT platform migration of Baltic operations

In what should have raised eyebrows in Copenhagen, the Baltic operations were perceived to be too costly and complex to implement on the shared Danske Bank IT platform.²⁰ Danske Bank halts migration. The Baltic subsidiaries therefore operated largely autonomously and were not subject to the same AML measures as other branches throughout the world. With little-to-no monitoring taking place, the Estonian branch's Non-Resident Portfolio was allowed to grow mostly unhindered.

Russian Central Bank warns of widespread money laundering

The Russian Central Bank and the Estonian FSA alert the Danish FSA that Sampo Bank is suspected of widespread money-laundering activities and facilitation of tax evasion for banking clients at the time of the acquisition. Reports relayed to the Danske Bank executive and supervisory boards. Danske Bank receives a negative inspection report from the Estonian FSA. The Danish FSA claims to have reacted to the Russian Central Bank's warning without detailing how.¹⁴

Estonian FSA performs AML inspection

Estonian FSA finds deficiencies in relation to Danske Bank Estonia subsidiary's management of AML risks.¹⁷

Russians warn Danish FSA

Russian Central Bank warns the Danish FSA directly of Danske Bank's customers in Estonia: The Russian Central Bank sends letter warning the Danish FSA that the Estonian branch is processing "billions of rubles each month" in dubious financial transactions derived from "criminal activities in their purest form" perpetrated in Russia.¹⁸



2008

Deutsche Bank and Danske Bank officials meet in New York to discuss Russian connections

AML alerts prompt meetings in New York between Deutsche Bank officials from the United States and Germany and Danske Bank executives. Deutsche Bank is assured that Danske Bank Estonia is moving away from its non-resident portfolio.¹⁹

Correspondent bank Deutsche Bank raises its Danske Bank risk score repeatedly

In November 2008, November 2009, and again in September 2010, Deutsche Bank hikes Danske Bank's risk score based on "the volume and nature" of suspicious activity involving Danske Estonia and its customers.²¹



Danske Bank emphasizes virtue of a shared IT platform for transparency and compliance but decides not to include the Baltics²²



Reports on extensive money laundering using foreign exchange and Danske Bank accounts

Estonian newspaper Äripäev describes how extensive network of Russian and Bulgarian criminals have used the currency exchange agency Tavid and Danske Bank Estonia accounts to launder more than bEUR 1.²⁶

Non-resident customers in Danske Bank Estonia responsible for 94% of its earnings²⁹

"Azerbaijani Laundromat" starts up
\$3.6 billion starts flowing through just four accounts held by Azerbaijanis in Estonia from 2012–2014.³⁰

Danish FSA orders Danske Bank to ensure AML compliance for correspondent banks³¹

Estonian authorities uncover massive illegal money transfers

Estonian Financial Intelligence Unit discovers abnormally large money transfers ("Azerbaijani Laundromat").²³

Danish authorities receive tranche of evidence of money laundering

The Danish State Prosecutor for Serious Economic and International Crime, Danish FSA, Danish Ministry of Justice, and the Director of Public Prosecutions receive one hundred pages of transaction-specific documentation detailing money laundering by international criminals in Nordea Denmark and Danske Bank Estonia from the London law firm Brown Rudnick.³³
The authorities took no action.

2009

2010

2011

2012

2013

January



April

July



September

December



Thomas Borgen given top leadership position

Thomas Borgen, later Danske Bank Group CEO, is appointed Head of International Banking Activities and Danske Markets and member of Danske Bank's Executive Board.³⁵

Central mission: Growing Estonia's Non-Resident Portfolio

Thomas Borgen, then-head of international banking in charge of Estonia and later CEO of Danske Bank, has sights on growing Bank's non-resident business, which was mostly focused on customers from Russia and other ex-Soviet states.

"Russian Laundromat" gears up

Flow of \$20-80 billion derived from crime in Russia starts pouring through the Estonian branch to tax havens across the world. Continues unabated until May 2014.²⁵

Non-resident customers in Danske Bank Estonia responsible for half of its earnings³⁴

No one thinks to question Estonia branch's astronomical profitability

Baltics undergo punishing years with GDPs contracting by 16.2% in 2009 and a global financial crisis. But no eyebrows were raised at Danske Bank's head office that Estonian operations alone accounted for 10.7% of Group net profits before tax in 2011.²⁷ New York State Department of Financial Services noted, the business from Russia and other former Soviet states "was disproportionately large and lucrative for Danske Bank—in 2011 alone, Danske Estonia generated 11% of Danske Bank's total profits despite only accounting for 0.5% of the bank's assets."²⁸



Danske Bank head of AML warns Group of blacklisted Russian customers

Danske Bank Group's Executive Board warns of problematic customer and violations of AML regulations in the Estonian branch. An email disproves Danske Bank's public assertions that they became aware of the money-laundering issues only in 2014.³²

JPMorgan halts correspondent relations with Danske Bank

Under pressure from the U.S. Office of the Comptroller of the Currency JPMorgan halts its correspondent bank relations for U.S. Dollars to the Estonian branch over concerns with non-resident customers.

External scrutiny mounting to scale down Baltic business

Thomas Borgen, now Group CEO, rejects calls to curb the Non-Resident Portfolio.

Head of Danske Markets in Tallinn sends scathing report to Danske Bank's compliance group

The report by Howard Wilkinson entitled "Whistleblower disclosure – knowingly dealing with criminals in Estonia branch" is sent to the Danske Bank head office.³⁴

2014

Borgen false claim

Later disproved, Thomas Borgen claims that Danske Bank Group's Executive Board first became aware of the massive problems in Estonia only in February 2014.³⁶

Another internal warning to Danske Bank's senior leadership

A letter from Danske Bank's internal auditors alerts two senior members of the bank's executive board that the Estonian branch is violating AML rules by ignoring KYC and failing to monitor customer transactions, while "earnings lots of money on those same customers."⁴⁰

Several hundred-page Estonian FSA report leaks

Several hundred-page leaked Estonian FSA report details 47 examples of violations sent to Danske Bank senior management. It was subsequently revealed that Danske Bank had neither read nor had the report translated.⁴²

February



March



July



September



Estonian subsidiary still granting FX lines based solely on cash collateral

Internal Danske Bank Group Internal Audit documents show that Estonian subsidiary is still granting non-residents FX lines based on solely cash collateral with no knowledge of individual customer's financial situation. perform due diligence.³⁷

Devastating Estonian FSA report issued

The Estonian FSA issues a 300-page report of Danske Bank's Estonian operations following two inspections in the branch. The violations are comprehensive, systemic, and long-term.⁴¹



2015

Cleanup too slow

The Estonian FSA issues an order to Danske Bank as it perceived its cleanup to be too slow. "We were not satisfied with the speed of the process. Basically, we said to them: Please have your business comply with Estonian law."⁴⁴

Deutsche Bank breaks off correspondent relationship with Danske Bank

As the last of Danske Bank Estonia's three correspondent banks for USD, Deutsche Bank finally breaks off relationship over concerns over non-resident customers.⁴⁶

July



May



August



September



Bank of America breaks off correspondent relationships with Danske Bank

Bank of America informs corporate level at Danske Bank of their discomfort with payments originating in Moldova flowing through the bank. The U.S. bank decides to terminate its USD correspondent relationship with Danske Bank.⁴³

Aivar Rehe, CEO of Danske Bank Estonia steps down⁴⁵

Rehe later found dead in an apparent suicide.

2016

Danske Bank reported to police by Danish FSA for violating AML laws

Danske Bank maintains that there "was nothing to indicate that the bank had been exploited. This is about processes and internal systems and guidelines that haven't been good enough."³⁸ The referral to the police included violations of the Danish AML Act correspondent bank relationship provisions and non-compliance with the FSA's order of 2012.³⁹

March



→ POLITI



National Danish newspaper Berlingske Tidende in partnership with OCCRP publishes first in a long series of investigative articles focused on money-laundering problems involving Nordic banks, including Danske Bank.

French authorities link Danske Bank to Magnitsky Affair

The French Tribunal de Grande Instance de Paris court brings charges against Danske Bank for its involvement in the so-called Magnitsky case, one of the most spectacular cases of international crime, money laundering and human rights violations in recent times. The investigation relates to transactions in the amount of around mEUR 15, which were transferred to France from 2008 to 2011 by former customers at Danske Bank Estonia.⁴⁸ One of the probe's charges is that the bank "assisted in ... investing, hiding, or converting... the proceeds of crimes" and that these activities were conducted "in an organized manner."⁴⁹



Start
Relevant
Class Period
Sept. 4

September



2018

Conflict of interest forces resignation of Danish FSA head

Henrik Ramlau-Hansen—former Danske Bank CFO—steps down as head of the Danish FSA in the wake of the Danske Bank revelations.⁴⁷

Estonian Office of the Prosecutor General opens criminal investigation into former employees of Danske Bank's Estonian branch

Bruun & Hjejle present findings of their (preliminary) report

Presentation at press conference by Bruun & Hjejle. B&H is one of Danske Bank's regular law firms that was engaged to perform an objective and independent investigation of the money laundering scandal in Estonia. The B&H report outlines how bEUR 200 was laundered in the Estonian branch from 2007 to 2015. The report is widely criticized for its narrowness of scope, the obvious conflicts of interest of the ostensibly "independent" investigating law firm, and its conclusion that Danske Bank executive and supervisory boards are essentially blameless.

May



June



July



August



September



Borgen promises a comprehensive, internal investigation

Danske Bank CEO, Thomas Borgen, speaks on the record about money laundering in the Estonian branch, but the full extent of the illegal operations is not disclosed to the market.



Danske Bank

Ivar Pae fired as head of Danske Bank Estonia

Former CFO of Sampo Bank (2000-2007) and subsequent head of Danske Bank Estonia fired as more details about the money-laundering scandal come to light.



Danske Bank

Danish criminal investigation opened

Danish State Prosecutor for Serious Economic and International Crime opens criminal investigation into possible Danish AML Act violations against Danske Bank.

BRUNN & HJELLE

Danske Bank's CEO fired

Danske Bank terminates Group CEO Thomas Borgen and further discloses that the U.S. Department of Justice is investigating Danske Bank's facilitation of money laundering.

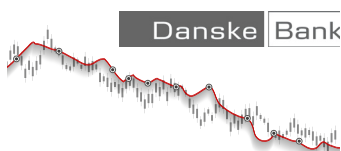
Danske Bank's stock drops 50%

Between September 2017 and October 2018, Danske Bank's stock price sheds 50%, wiping out close to bDKK 100 in market capitalization.

Danish FSA nixes Danske Bank's choice of new CEO

Having been informed that their pick for new CEO, Jacob Aarup Andersen, was unlikely to get the nod of approval by the FSA, Danske Bank nevertheless proposes his appointment. As expected, he was rejected as "too inexperienced" in what is generally viewed as an embarrassment to Danske Bank.⁵⁰

**U.S. Department of Justice
launches criminal investigation⁵¹**



Impatient large Danske Bank shareholder Maersk forces leadership change

The chairman of the Board of Directors for Danske Bank, Ole Andersen, is unseated through direct intervention by A.P. Moeller Holding, which holds 20.9 percent of Danske Bank.

Danish prosecutor officially charges Danske Bank

Danske Bank preliminarily charged by the Danish State Prosecutor with violating the Danish AML Act on four counts all relating to the Estonian branch from February 1, 2007 to the end of January 2016.⁵² The charge concerns the Estonian Branch but also includes "transactions that were executed by Danske Bank A/S's systems in Denmark."

Financial Times reports that Danske faces money laundering lawsuit from 'A-team' of firms

"Németh Sigetty, a Danish law firm, will file a writ against Danske in the first quarter of next year after being fully funded by a group of U.S., German and Dutch firms, which have won multibillion-dollar settlements out of the likes of Volkswagen and Petrobras. The move is the most serious civil case for damages so far against Danske and comes after shares in Denmark's biggest bank have fallen by almost 50 percent this year as the scandal has intensified."

BRUUN & HJEJLE

Class action filed in federal court in New York

Three U.S. pension funds file class action suit in federal court in the Southern District New York alleging that Danske Bank engaged in the broad facilitation of money laundering through its Estonian bank branch during the class period.



Danske Bank

Class action filed in federal court in New York

Action filed against Danske Bank and Thomas F. Borgen for approval of a class action led by a newly formed association with the aim to represent former and current shareholders in a liability action relating to the Estonian AML matter.⁵⁶

First wave of claims for mEUR 415 in damages

DRRT and Grant & Eisenhofer file first wave of claims in the Copenhagen City Court on behalf of 168 institutional investors.⁵⁷

Key executives charged

Nine Danske Bank key executives are charged, incl. former CEO Thomas Borgen, former Executive Board directors Lars Mørch, Henrik Ramlau-Hansen, and Robert Endersby, and former Chief Legal Counsel of Danske Bank Flemming Priested and search warrants are executed at their homes.⁵⁹ Mr. Ramlau-Hansen, was former chair of the Financial Supervisory Authorities from 2016 to 2018. The prosecutor charged him with failure to prevent certain transactions at Danske Bank for which he was finance direction from 2011 until 2015. In October 2013, he allegedly attended an important meeting when Danske executives discussed the non-resident portfolio in Estonia, according to minutes of the meeting. Prosecutors brought the charges soon after U.S. authorities requested their first interviews in the case, apparently indicating cooperation between Danish and U.S. authorities.⁶⁰

2019



November

PROSECUTION SERVICE

Danske Bank

"Not in a position to contest a lot"

In an interview following the announcement of preliminary charges against Danske brought by the Danish Financial Supervisory Authority, Danske Bank acting CEO Jesper Nielsen noted that the Bank is "not in a position to contest a lot."⁵³



Bruun & Hjejle investigation expanded

There are indications that Danske Bank's internal continuing Bruun & Hjejle investigation has been broadened beyond Estonia, to Latvia, Lithuania, and Russia.⁵⁴



January

February



Formal investigation commenced in France

Danske Bank placed under formal investigation by an investigating judge of the Tribunal de Grande Instance de Paris in the context of its ongoing criminal investigation into money laundering relating to certain transactions by non-resident customers in the Bank's Estonian branch, amounting to around mDKK 160 and performed between 2007 and 2014. The Bank posted bail in the amount of mDKK 80.⁵⁵



March



April

Swedbank money-laundering report suggests Danske Bank's conditions much worse than previously assumed

Clifford Chance's March 2020 report on Swedbank's money-laundering scandal suggests that the Danske Bank scandal was much worse than described in Bruun & Hjejle's 2019 report.⁵⁸



May

End Relevant Class Period May 15

PROSECUTION SERVICE

Ex-CEO of Danske Bank Estonia found dead

Aivar Rehe found dead in an apparent suicide.

September

October



DRRT and Grant & Eisenhofer file second and third waves of claims in Denmark

The two international law firms file second and third waves—the latter in Jan. 2020—of claims in the Copenhagen City Court adding 73 institutional investors and seeking mEUR 344 in collective damages making their case complex total 241 damaged investors for a total mEUR 759 in damages.⁶¹



2020

Bruun & Hjejle takes another look

Danske Bank's law firm, which conducted the initial internal investigation, is reported to investigate the circumstances around the firing of the detective firm Parsifal Services that briefly investigated the case.⁶²

November

BRUUN & HJEJLE

ISAF-Danske files claims in Denmark

Danish law firm Németh Sigetty files complaint on behalf of ISAF Management and damaged investors in Danske Bank.



December

Deminor files claims in Denmark

Thomas Borgen sued for mEUR 358 by 155 institutional investors organized by Deminor Recovery Services and represented by Elmann.⁶⁵

February/March



New York agency fines Deutsche Bank for Danske Bank correspondent relationship

Deutsche Bank fined mUSD 150 for ignoring or missing compliance red flags surrounding its Danske Bank correspondent relationship even continuing two years after JPMorgan pulled out in 2013.⁶⁷

July



March

DRRT and Grant & Eisenhofer file fourth wave of claims in Denmark

Claims filed in the Copenhagen City Court adding 7 institutional investors and seeking an additional mEUR 28 making their case complex total 248 damaged investors for a total mEUR 787 in damages.⁶⁶

DRRT and Grant & Eisenhofer file fifth wave of claims in Denmark

Claims filed in the Copenhagen City Court adding 55 institutional investors and seeking mEUR 144 making their case complex total 303 damaged investors for a total mEUR 940 million in damages.⁶³

September



October

BRUUN & HJEJLE

Danske Bank completes its internal investigation

Bruun & Hjejle's investigation is completed in Q4 2020—a full two years and two months after it originally published its findings. This time around its findings are not made publicly available but "reported to the relevant authorities investigating the Bank" and its contents kept strictly off-limits.⁶⁸ From Danske Bank's own reporting, it appears that the money-laundering investigation cost mDKK 300 in 2018 and was expected to cost mDKK 800 in 2019.⁶⁹

November



Danish prosecutor adds to initial preliminary charge

State Prosecutor for the Danish Special Crime Unit adds violation of the Danish Financial Business Act for governance and control failures from 2007 to 2017 to its preliminary charges (see November 2018).⁷⁰



Danish FSA conducts inspection of Danske Bank

The Danish FSA concludes that Danske Bank lacks procedures for collaboration between divisions and branches for sanctions screening, KYC, and transaction supervision; that the bank has failed to train employees in those areas to prevent sanction violations; and that the 4-eye principle is not used in screening customers.⁷¹



December

December

OFAC closes investigation of Danske Bank

Danske Bank informed by U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") that it had decided to close its investigation of Danske Bank in relation to the Estonia case with no action.⁷²



Copenhagen City Court transfers 200 of DRRT and Grant & Eisenhofer's claims to the Eastern High Court

The City Court consolidates DRRT's first and second waves and transfers those cases to the Eastern High Court (the third and fourth waves are subsequently stayed at the City Court with the Supreme Court upholding the stay on June 29, 2021).



2021

Rejection of class action status upheld in federal court in the United States

Case filed in March 2019 in Southern District of New York against Danske Bank and Thomas Borgen for approval as a class action dismissed. The shareholder association appealed but the U.S. Court of Appeals sustained the lower court's decision in August 2021.

January



February



Court orders DRRT and Grant & Eisenhofer to post collateral for non-EU and U.S. claimants

Plaintiffs apply to have order reviewed by the Danish Supreme Court.

Few signs that Danske Bank has learned its lesson

Danish FSA issues sharply critical decision of Danske Bank's AML remediation efforts and orders the bank to engage expert consultants for a period of six months to monitor the implementation of the bank's Financial Crime Plan of May 25, 2020.⁷³

Criminal charges against Borgen dropped

Danish Special Crime Unit drops criminal charges against Thomas Borgen, Henrik Ramlau-Hansen, and Lars Stensgaard Mørch.⁷⁵

Danske Bank's self-described "very clean" CEO resigns after just two years on the job

Danske Bank CEO Chris Vogelzang resigns after the Netherlands Prosecution Service identifies him as a suspect in a different money-laundering scandal at his previous employer ABN AMRO. The Dutch bank was fined mEUR 480.⁷⁶

April



Danish Eastern High Court sets pleading schedule for DRRT case complex

DRRT attorneys submit arguments supporting discovery requests from Danske Bank.⁷⁴

Danish Supreme Court denies Danske Bank's motion to assign additional cases bellwether status

The Danish Supreme Court upholds a lower court ruling to deny a Danske Bank's motion transfer additional claims from the lower court Copenhagen City Court to be tried in the first instance before the Eastern Division of the Danish High Court. The Supreme Court ruled that, because the case complex concerns liability from failure to provide proper, timely, and full investor disclosure for shares offered for sale in the secondary market, the claims represent a first before Danish courts, and the initial cases submitted have therefore been assigned bellwether status. The Supreme Court's decision means that the fate of DRRT's remaining claims as well as similar cases by the ISAF-Danske coalition (93 claims) will be pending the Danish Eastern High Court proceedings.

June



Danske Bank case dismissal upheld in the United States

Second Circuit U.S. Court of Appeals affirms lower court's decision to dismiss case brought by three pension funds against Danske Bank and four of its former executives Funds' claims for failure to plead actionable misstatements or omissions under F.R.C.P. 12(b)(6).⁷⁷



Danske Bank sued in New York's Eastern District for aiding and abetting terrorism

An action is filed in the United States District Court E.D.N.Y. by some 500 plaintiffs, comprising U.S. military members and U.S. civilians who allegedly were killed or wounded while serving in Afghanistan between 2011 and 2016 and their families, against Danske Bank and Danske Markets, Inc., as well as various branches of Deutsche Bank and Standard Chartered Bank and two money remitters Placid Express and Wall Street Exchange. Plaintiffs allege that the defendant banks and money remitters aided and abetted a terrorist syndicate that sponsored violence in Afghanistan, in violation of the Anti-Terrorism Act, through the facilitation of certain transactions that allegedly allowed funds to ultimately be transferred to the terrorist organizations. The complaint seeks unspecified punitive and compensatory damages.⁷⁸

August



September



Borgen's Danish trial moved to Q3 2022

Trial was scheduled to start following a procedural error by Borgen's counsel, Plesner. Default judgment issued but trial resumed and date moved to Q3 2022.

October



DRRT counsel submits reply regarding discovery issues⁷⁹

2022

Eastern Division of Danish High Court trial expected to start

Q3



PRIVAT

Danske

Overview of current proceedings

The following does *not* represent an exhaustive list of the AML-related legal and regulatory proceedings and investigations related to Danske Bank's money-laundering scandal.

We are aware of numerous other prosecutorial efforts, but have no other information about such proceedings until official charges are made public.

Major civil proceedings

- ISAF-Danske Coalition
- DRRT-Grant & Eisenhofer Coalition
- Deminor Coalition
- Foreningen af Danske Aktionærer i Danske Bank Coalition
- Wildman *et al.* v Deutsche Bank AG *et al.*

Major criminal proceedings

- Danish Special Crime Unit (formerly SØIK)
- United States of America/DOJ/FRTIB

Other investigations

- Danish Disciplinary Board on Auditors (Revisornævnet)
- Estonian Office of the Prosecutor General
- Tribunal de Grande Instance de Paris



ISAF-Danske Coalition

Damaged Investors v. Danske Bank



Court Lyngby District Court (Lyngby Byret)

In brief International Securities Associations and Foundations Management Company (“ISAF”) represents a total of 93 claims that are currently stayed pending the Danish High Court’s decision in the bellwether cases described under DRRT-Grant & Eisenhofer overleaf.

Plaintiffs Damaged Investors organized by ISAF-Danske Coalition
Represented by Németh Sigetty Advokatpartnerselskab

Defendants Danske Bank A/S

Claims The ISAF-Danske proceedings share a number of similarities with the DRRT complex of claims and ISAF-Danske are currently collaborating with their attorneys on an informal basis.

According to Copenhagen City Court, both complexes pertain to whether “shareholders who have bought shares in a listed company may claim compensation for subsequent price fluctuations for those shares at the expense of other shareholders caused by alleged violations of public regulatory law and obligations related to the capital markets, and irrespective of whether or not the buyer sold their shares.”

The claims raise a number of questions in an area where Danish case law is not well developed, e.g., whether a group of shareholders can claim losses resulting from an alleged failure to disclose information to the market that has affected all shareholders; the materiality of shareholders’ individual investment strategies for individual claimant loss calculations; the scope of an organization’s obligation to mitigate damages in a favorable market; and how losses may be calculated.

Loss claim Combined, the ISAF-Danske and DRRT coalitions seek a total of DKK 13.2 billion (USD 2 billion).

Status

Dec. 27, 2019 Complaint filed in Lyngby District Court.

May 20, 2020 The Eastern Division of the Danish High Court approves a motion to transfer that is filed in a different but similar proceeding (see DRRT). In granting the motion to transfer, the Copenhagen City Court effectively stays all other similar claims pending the outcome of the High Court’s decision, including ISAF-Danske coalition’s claims before Lyngby District Court.

Sep. 4, 2020 ISAF-Danske adds 33 plaintiffs to its original group of 60, seeking an additional mDKK 355 (mEUR 48) in compensation for claimed losses.

Nov. 26, 2020 Danske Bank and the ISAF-Danske coalition petition the High Court

to have additional claims added to the 228 claims. The High Court, however, affirmed the lower court's decision to limit the number of claims. Decision is appealed to the Danish Supreme Court.

- June 29, 2021 The Danish Supreme Court affirmed the two lower courts' decisions to transfer only the 228 claims and to stay other similar cases before the Copenhagen City and Lyngby District Courts pending the outcome of the bellwether cases.
- Q3, 2022 The trial before the Eastern Division of the High Court is expected to begin in the third quarter of 2022.



DRRT/Grant & Eisenhofer Coalition

Damaged Investors v. Danske Bank



Copenhagen City Court (Københavns Byret) &
Eastern Division of the Danish High Court (Østre Landsret)

In brief The DRRT/Grant & Eisenhofer coalition represents a total of 303 claims, 228 of which have been assigned bellwether status and have been docket for trial before the Eastern Division of the Danish High Court.

Plaintiffs Damaged Investors organized by DRRT and Grant & Eisenhofer
Represented by Klar Advokater

Defendants Danske Bank A/S

Claims Plaintiffs allege that Danske Bank actively misled its investors and failed to provide full, accurate, and timely disclosure of its Estonian money-laundering and thereby caused those investors major losses in the secondary market.

Loss claim Combined, the ISAF-Danske and DRRT coalitions seek a total of DKK 13.2 billion (USD 2 billion).

Status

- Apr. 2019 Complaint filed in Copenhagen City Court.
- Jun. 29, 2021 The Danish Supreme Court upholds the lower court's ruling to deny Danske Bank's motion to sever certain claims in order to add them to the Danish Eastern High Court proceeding. A total of 228 DRRT claims are therefore transferred from the lower Copenhagen City Court to be tried by the Danish High Court.
- The Supreme Court decision leaves the DRRT's remaining 75 claimants and ISAF-Danske's 93 claimants awaiting the Danish Eastern High Court decision.



d e m i n o r

Deminor Coalition

Damaged Investors v. Thomas Borgen



Lyngby District Court (Lyngby Byret)

In brief Plaintiffs comprise a group of 76 investor-claimants. The group is suing former Danske Bank CEO Thomas Borgen for investment losses incurred over the course of the money-laundering scandal.⁸⁰

Plaintiffs Damaged Investors organized by Deminor
Represented by Ellman

Defendants Thomas Borgen
Represented by Plesner

Claims Plaintiffs allege that the defendant failed to provide full, timely, and accurate disclosure from February 2014 onward about the unfolding money-laundering affair in Estonia, which subsequently sent Danske Bank's share price into a steep decline.

Loss claim Approx. bDKK 2.7 (mEUR 358)

Status

Sep. 6, 2021 Defendant's legal counsel submits case summary that the court concluded was deficient. The court therefore issued a default judgment; the document has, however, subsequently been cured and the case has resumed.

Sep. 16, 2021 One of the three presiding judges is disqualified from the Thomas Borgen proceeding after various postings on Facebook called into question his impartiality in a different case.

Late-Sep. 2021 Plaintiffs' legal counsel notify the court that they intend to expand their claim to also include Danske Bank.

Foreningen af Danske Aktionærer

Foreningen af Danske Aktionærer v. Thomas Borgen and Danske Bank



Lyngby District Court (Lyngby Byret)

In brief Claimants comprise a group of 400 small Danske Bank shareholders who incurred losses as a result of Danske Bank's money-laundering scandal.⁸¹

Plaintiffs Damaged Investors organized by Foreningen af Danske Aktionærer i Danske Bank
Represented by Hindkjær Advokatfirma and Bjerregaard Advokatfirma

Defendants Thomas Borgen and Danske Bank

Claims	Plaintiffs allege that Danske Bank failed to provide full, accurate, and timely disclosure of its money-laundering issues in the Baltics and thereby caused plaintiffs to suffer losses as the share price declined in 2017.
Loss claim	Unknown.
Status	
Mar. 4, 2019	March 4, 2019: Complaint filed.
Dec. 2019	Plaintiffs' application for legal aid from the Danish Civil Affairs Agency (Civilstyrelsen)—which would have exempted the plaintiffs from attorneys' fees—denied. Plaintiffs' attorneys state that they intend to continue litigation.



Wildman *et al.* v. Deutsche Bank AG *et al.* **Danske Bank, Danske Markets *et al.***



United States District Court for the
Eastern District of New York

In brief	Plaintiffs comprise 487 U.S. service members and civilians who allegedly were killed or wounded while serving in Afghanistan between 2011 and 2016 and their families. Major named defendants include Danske Bank and Danske Markets, Inc., as well as various branches of Deutsche Bank and Standard Chartered Bank and two money remitters, Placid Express and Wall Street Exchange. ⁸²
Plaintiffs	Wildman <i>et al.</i> Represented by Sparacino PLLC
Defendants	Danske Bank and Danske Markets <i>et al.</i> Represented by Sullivan & Cromwell
Claims	Plaintiffs argue that the defendants made available and provided accounts, transfers and other routine services to companies and individuals who they knew were helping terrorist networks responsible for hundreds of deadly attacks.
Loss claim	Unspecified billions of dollars in damages.
Status	
Aug. 5, 2021	Case filed in U.S.D.C. (E.D.N.Y.) as No. 21-cv-4400 .
Sep. 16, 2021	Corporate disclosures and notices of appearances filed.
Dec. 7, 2021	Pre-motion conference held.



Danish Special Crime Unit (formerly SØIK)



Copenhagen City Court (Københavns Byret)

In brief All accused were born and raised in the former Soviet Union and are alleged to have facilitated the laundering of EUR 4.2 billion from 2008 to March 2016 through ready-made companies or limited partnerships (“kommanditselskaber”/“skuffeselskaber” in Danish).⁸³

Prosecutor State Prosecutor Rasmus Maar Hansen, Danish Special Crime Unit

Defendants Defendant 1 and Defendant 2 (atty.: Henrik Stagetorn of Stagetorn Advokater) and Defendant 3 (atty.: Christian Kirk Zøllner of Kirk Advokater)

Status

Nov. 2018 Defendants 1-3 are charged at a probable cause hearing by the Danish State Prosecutor for Serious Economic and International Crime.

Pleading not guilty, Defendant 2 was remanded back into custody, as she was already serving a 3-year 11-month sentence for a conviction in another money-laundering case. She is also subject to an extradition order to her home country of Russia.

Dec 23, 2021 Defendant 3 is extradited from England to Denmark and formally charged in Denmark.



U.S. Department of Justice/ Federal Retirement Thrift Investment Board



Copenhagen City Court (Københavns Byret)

In brief Plaintiffs’ initial claim is mDKK 10 (mUSD 1.62) in compensation related to the Danske Bank money-laundering scandal, but that figure may be increased dramatically later.⁸⁴

Plaintiffs U.S. Department of Justice/Federal Retirement Thrift Investment Board
Represented by Donatzky & Partnere

Defendants Danske Bank and Thomas Borgen

Status

Apr. 20, 2021 Case filed. Status unknown.



Danish Disciplinary Board on Auditors (Revisornævnet)



Regulatory action

In brief The Danish Business Authority launched an investigation related to Ernst & Young's audit and endorsement of Danske Bank A/S's 2014 annual and consolidated financial statements.

The Authority examined whether Danske Bank's auditor had met its obligations under the Danish AML Act (Hvidvaskloven). It concluded that Ernst & Young should have initiated a more detailed investigation and reported irregularities to the Money Laundering Secretariat of the Danish Special Crime Unit (formerly SØIK).⁸⁶

Status

- Oct. 4, 2018 Investigation launched.
- Apr. 11, 2019 Authority asked the Danish Special Crime Unit to launch a police investigation into potential violations of the AML Act.
- Apr. 3, 2020 The Danish Special Crime Unit notified the Authority that it had halted its investigation of Ernst & Young on the assessment that there was no reasonable presumption that an offense punishable under Danish law had been committed.



Estonian Office of the Prosecutor General



Regulatory action/criminal investigation

In brief In 2018 Estonian Office of the Prosecutor General opened a criminal investigation into 26 former employees of the Estonian branch.⁸⁵

Status

- Jul. 31, 2018 Criminal investigation launched based on a complaint filed by Hermitage Capital's Bill Browder.
- Sep.22, 2020 Large amounts of leaked Danske Bank confidential records are published in several Estonian media publications and the Italian weekly news magazine L'Espresso from September 22 to October 2.
- Oct. 9, 2020 Danske Bank applies to have investigation halted on the grounds that an impartial trial is no longer possible after the leak. The authorities refuse.



MINISTÈRE de la JUSTICE
REPUBLIQUE FRANÇAISE

Tribunal de Grande Instance de Paris



Regulatory action/criminal investigation

In brief Formal investigation into money laundering and certain transactions in the non-resident customer portfolio of Danske Bank's Estonian branch where mEUR 21.6 flowed through a number of accounts and transferred to France from 2008 to 2011. One of the probe's charges is that the bank "assisted in ... investing, hiding, or converting... the proceeds of crimes" and that these activities were conducted "in an organized manner."

The charges of the French Tribunal de Grande Instance de Paris are related to Danske Bank's involvement in the so-called Magnitsky case, one of the most spectacular cases of international crime, money laundering and human rights violations in recent times.⁸⁷

Status

Feb. 2019 Danske Bank was placed under formal investigation by an investigating judge of the Tribunal de Grande Instance de Paris. Danske Bank has posted bail in the amount of mEUR 10.



Danish Special Crime Unit (formerly SØIK)



Copenhagen City Court (Københavns Byret)

In brief Danske Bank was preliminary charged by the Danish Special Crime Unit with violating the Danish AML Act on four counts all relating to the Estonian branch in the period from 1 February 2007 to the end of January 2016. In October 2020, SØIK added violation of the Danish Financial Business Act for governance and control failures in the period from 1 February 2007 to the end of 2017 to the preliminary charges.⁸⁸

Prosecutor Danish Special Crime Unit

Defendants Danske Bank

Status

Jan. 2022 Unknown.

ISAF-Danske

International Securities Associations and Foundations Management Company for Damaged Danske Investors LLC (ISAF-Danske) provides organization and financing for the Danske Bank shareholder group litigation. ISAF-Danske is an affiliate of ISAF Management Company (ISAF), a service company focused exclusively on evaluating and executing securities litigation outside of the United States.

ISAF provides international litigation research and organization for group litigation focused on institutional-investor objectives and manages and funds collective actions where these investor legal protections exist.

The ISAF management team is comprised of experts in capital-market and trading-financial technology, securities litigation claims filing, and investment and trade analysis.

In addition to the Danske Bank group action in Denmark, ISAF is currently providing administrative support and funding for institutional investors in the Volkswagen “Dieselgate” securities litigation in Germany and the Petrobras “Operação Lava Jato” securities proceeding in the Netherlands.

Law firms

DENMARK

NÉMETH SIGETTY

The lawyers at Németh Sigetty have a well-deserved reputation for handling major, complex, and high-stakes disputes against both private party litigants and government authorities and have vast experience with investor group litigation in Denmark. Németh Sigetty has had ongoing cooperation with the Danish Shareholders' Association and has represented damaged investors in the Amagerbanken and Pandora actions.

UNITED STATES

Lieff Cabrer Heimann & Bernstein

American law firm Lieff Cabrer Heimann & Bernstein, LLP has litigated and resolved some of the most important complex civil and securities actions in recent history, including the recent \$15 billion civil settlement with Volkswagen on behalf of American diesel-vehicle owners and lessees.

POMERANTZ LLP

An American law firm founded over 80 years ago, Pomerantz LLP specializes in securities litigation and has served as lead counsel in many major cases, including for the lead plaintiff in the Petrobras securities fraud class action in the United States. That action resulted in a \$3 billion settlement, one of the largest shareholder settlements in U.S. history.

GERMANY



The leading collective action law firm in Germany, TILP pursues compensation for investment losses in securities fraud cases in Germany and throughout Europe. TILP has been appointed to represent the model plaintiff in the highly publicized Volkswagen "Dieselgate" KapMuG collective litigation proceeding in Braunschweig, Germany. TILP is litigating the Volkswagen case on behalf of international investors with damages claims in excess of EUR 9.5 billion.

NETHERLANDS



A leading Dutch law firm with vast experience representing international investors in collective litigation and global settlements law (WCAM) in the Netherlands. Lemstra Van der Korst has recently secured a critical jurisdiction ruling in the highly publicized group litigation in the Netherlands on behalf of damaged Petrobras investors. Lemstra Van der Korst has represented damaged international shareholders in global settlements, including the Converium and Royal Dutch Shell WCAM settlements.

Endnotes

- 1 "Danske Bank: Legitimize this," *The Economist*, December 8, 2018, pp. 63-65.
- 2 Danske Bank, "Risks Related to the Group," *Base Information Memorandum: U.S. Medium-Term Note Program* (September 6, 2021), p. 26. The second investigation appears to have cost mEUR 107 in 2019 alone.
- 3 Clifford Chance, *Report of Investigation on Swedbank AB (publ)*, Clifford Chance, March 23, 2020, p. 6.
- 4 Eva Jung *et al.*, "Danske Banks advokater kulegraver fyring af detektiver," *Berlingske Tidende*, Nov. 13, 2019.
- 5 Kristoffer Brahm *et al.*, "Revisionsgiganten Ernst & Young indbringes for Revisornævnet i Danske Banks hvidvasksag," *Finans*, January 29, 2020. See also Danish Business Authority, "Hvidvask: Ernst & Young Godkendt Revisionspartnerselskab," news release, May 29, 2020.
- 6 Danske Bank, *Base Information Memorandum, op.cit.* See also Stefan Singh Kailay, "Hvidvaskundersøgelsen fortsætter i Danske Bank: Omfatter andre baltiske filialer," *Berlingske*, Nov. 1, 2019.
- 7 Bruun & Hjejle, *Report on the Non-Resident Portfolio at Danske Bank's Estonian Branch* (Copenhagen, Denmark: Bruun & Hjejle, 2018), p. 28.
- 8 Irina Reznik *et al.*, "A Banker Reveals the Bonus Culture Behind a \$220 Billion Scandal," *Bloomberg*, Oct. 7, 2019.
- 9 Frances Coppola, "The Tiny Bank at the Heart of Europe's Largest Money Laundering Scandal," *Forbes*, Sep. 26, 2018.
- 10 *Ibid.*
- 11 Confidential telegram from the U.S. Embassy in Tallinn. Koslov demanded that numerous bank accounts be shut down in an in-person meeting with the Estonian FSA as they were used to launder large Russian sums of money destined for the west. Quoted in Simon Bendtsen *et al.*, *Beskidte Milliarder: Da Danske Bank blev centrum i verdens største hvidvasksag* (Copenhagen, Denmark: Gyldendal, 2019), pp. 16-17.
- 12 According to the *Financial Times*, most analysts had valued Sampo Bank at EUR 3 billion compared to the EUR 4 billion actually paid by Danske Bank. Anders Hakansson of UBS noted that "Danske is paying 3.5 times book value – that's an eastern European multiple for a bank in a low growth market." David Ibison, "Danske buys Finland's Sampo Bank," *Financial Times*, November 9, 2006. See also Michael Alsen *et al.*, "Historien om en bank, der ville vokse for enhver pris," *Berlingske*, Sep. 22, 2018.
- 13 Danske Bank, "Danske Bank Group acquires Sampo Bank," news release, Nov. 9, 2006.
- 14 Danish Financial Supervisory Authority, "Chapter 4: Criticisms of the Danish FSA's supervision of Danske Bank," *Report on the Danish FSA's Supervision of Danske Bank as regards the Estonia Case*, January 20, 2019.
- "In 2007, the Russian central bank warned the Danish FSA about AML risks related to a number of Russian customers in Danske Bank's newly acquired Estonian subsidiary. On the basis of this inquiry, the Danish FSA asked Danske Bank for a report and discussed the matter with Danske Bank's Head of the Legal department (who was also the person responsible for AML) and the bank's Chief Audit Executive. The feedback received from both was that there were no problems in relation to AML risks in the Estonian subsidiary." *Ibid.*, p. 3.
- 15 Michael Alsen *et al.*, "Historien om en bank, der ville vokse for enhver pris," *Berlingske*, Sep. 22, 2018.
- 16 Danske Bank, "Sampo Bank," 2007 Annual Report, p. 15. See also Frances Coppola, "The Tiny Bank at the Heart of Europe's Largest Money Laundering Scandal," *Forbes*, Sep. 26, 2018.
- 17 Danish Financial Supervisory Authority, "Chapter 4: Criticisms of the Danish FSA's supervision of Danske Bank," *Report on the Danish FSA's Supervision of Danske Bank as regards the Estonia Case*, January 20, 2019, p. 19.
- 18 Bruun & Hjejle, *op.cit.*, p. 42.
- 19 "Re: Deutsche Bank AG *et al.*," consent order, New York State Department of Financial Services, July 6, 2020, para. 86, p. 26.
- 20 Danske Bank, "Sampo Bank," 2008 Annual Report, p. 34: "In the third quarter of 2008, on the basis of a cost analysis, the Group decided to discontinue the migration of Banking Activities Baltics to its shared IT platform." The integration of the Baltic operations onto the Danske Bank IT platform was, notably, highlighted in the Bank's acquisitions news release: "Danske Bank expects to complete the integration of Sampo Bank's Finnish activities into Danske Bank's IT platform at Easter 2008. It has not been decided when to integrate the IT systems of the still relatively small operations in Estonia, Latvia, Lithuania and Russia." See Danske Bank, "Danske Bank Group acquires Sampo Bank," news release, Nov. 9, 2006.
- 21 "Re: Deutsche Bank AG *et al.*," consent order, New York State Department of Financial Services, July 6, 2020, para. 90, p. 27.
- 22 Danske Bank, "Organization and management," 2009 Annual Report, p. 53: "Key elements of the management structure are well-defined powers, regular reporting and considerable transparency in activities. Group standards for risk management, financial planning and control, credit approval, HR development, compliance and the shared IT platform ensure well-structured management of all activities." See also *Ibid.*, "Internal control and risk management systems in financial reporting," p. 58: "The shared IT platform helps provide the documentation of accounting data across the Group and reduce financial reporting risks."

- 23 Simon Bendtsen *et al.*, “Hemmeligholdt påbud i hvidvask-sag: Danske Bank fik kritik for langsom oprydning,” *Berlingske*, Oct. 13, 2017.
- 24 Bendtsen *et al.*, *Beskidte Milliarder*, *op cit.*, p. 101.
- 25 Simon Bendtsen *et al.*, “Hemmeligholdt påbud i hvidvask-sag: Danske Bank fik kritik for langsom oprydning,” *Berlingske*, Oct. 13, 2017.
- 26 David Bentow, “Danske Bank kan have medvirket til hvidvask for over 14 mia. kr. i Estland,” *FinansWatch*, April 6, 2017. See also Bendtsen *et al.*, *Beskidte Milliarder*, *op cit.*, p. 97.
- 27 Danske Bank, *2009 Annual Report*, p. 36. See also Bruun & Hjejle, *op.cit.*, p. 26.
- 28 “Re: Deutsche Bank AG *et al.*,” consent order, New York State Department of Financial Services, July 6, 2020, para. 91, p. 27.
- 29 Bendtsen *et al.*, *Beskidte Milliarder*, *op cit.*, p. 101.
- 30 Simon Bendtsen *et al.*, “Hemmeligholdt påbud i hvidvask-sag: Danske Bank fik kritik for langsom oprydning,” *Berlingske*, Oct. 13, 2017.
- 31 Danish Financial Supervisory Authority, *Statement on inspection of Danske Bank (AML area)*, memorandum (March 16, 2016).
- 32 Michael Lund *et al.*, “Intern mail spørger: Hvornår opdagede Danske Bank hvidvask?” *Berlingske*, Sep. 14, 2017. Email in Danish: Eva Jung, “Her er e-mailen oversat til dansk,” *Berlingske*, Sep. 14, 2017.
- 33 Eva Jung *et al.*, “Danske myndigheder blev advaret om hvidvask i international kriminalsag,” *Berlingske*, April 6, 2017. See also Request for criminal investigation of money laundering offences, including Exhibit 4, BrownRudnick notice to the Danish authorities, September 16, 2013, see Bendtsen *et al.*, *Beskidte Milliarder*, *op cit.*, pp. 77-79.
- 34 Described at length in Danish FSA Report, pp. 90-94. The whistleblower, Howard Wilkinson, was the head of Danske Markets from 2007 until 2014. The scenario around the submission of the whistleblower report is described in Bendtsen *et al.*, *Beskidte Milliarder*, *op cit.*, pp. 145-153.
- 35 Danske Bank, “Management changes – New Chief Executive Officer,” news release, Sep. 16, 2013.
- 36 David Bentow, “Derfor er hvidvask-skandale i Estland giftig for Danske Bank,” *FinansWatch*, March 16, 2018.
- 37 Excerpts of correspondence quoted at length in Danish Financial Supervisory Authority, “Substance of the case and the Danish FSA’s assessments,” *Report on the Danish FSA’s Supervision of Danske Bank as regards the Estonia Case*, Jan. 28, 2019.
- 38 Danish Financial Supervisory Authority, *Statement on inspection of Danske Bank (AML area)*, memorandum (March 16, 2016). See also Flemming Pristed, Chief Legal Counsel of Danske Bank, quoted in “Timeline,” *Berlingske*, October 13, 2017.
- 39 Danish Financial Supervisory Authority, *Statement on inspection of Danske Bank (AML area)*, memorandum (March 16, 2016).
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- 42 Michael Lund *et al.*, “Danske Bank modtog flere hundrede siders advarsler om hvidvask – men ledelsen fik ikke rapport oversat,” *Berlingske*, March 12, 2021.
- 43 Christian Berthelsen *et al.*, “Deutsche Bank, BofA, JPM Drawn into Danske Money Laundering Probe: Sources,” *Insurance Journal*, Nov. 16, 2018. See also, Frances Schwartzkopff *et al.*, “Deutsche Bank May Have Been Key in Stalling Danske’s Laundromat,” *Bloomberg*, Sep. 5, 2018.
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- 45 Jack Ewing, “Former Head of Danske Bank in Estonia Is Found Dead in Suicide,” *New York Times*, Sep. 25, 2019.
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- 47 Stefan Singh Kailay, “Formand for Finanstilsynet trækker sig efter hvidvask-sag,” *Berlingske*, May 3, 2018.
- 48 Danske Bank, “Danske Bank placed under AML investigation in France,” Company Announcement No. 53/2017, Oct. 11, 2017.
- 49 Eva Jung *et al.*, “Links to dead Russian lawyer behind French money laundering probe against Danske Bank,” *Berlingske*, Oct. 18, 2017.
- 50 Simon Bendtsen *et al.*, “Danske Bank valgte åbent opgør med tilsynet: Bestyrelsen vidste, at topchef-godkendelse var tvivlsom,” *Berlingske*, Oct. 18, 2018.
- 51 Danske Bank, *2018 Annual Report*, p. 13.
- 52 Danske Bank, *Interim Report – First Nine Months 2021*, p. 43.
- 53 “Danske Bank: Legitimize this,” *The Economist*, December 8, 2018, pp. 63-65.
- 54 Danske Bank, *Base Information Memorandum*, *op.cit.* See also Stefan Singh Kaylay, “Hvidvaskundersøgelsen fortsætter i Danske Bank: Omfatter andre baltiske filialer,” *Berlingske*, Nov. 1, 2019.
- 55 Danske Bank, *Interim Report – First Nine Months 2021*, p. 43.
- 56 Plumbers & Steamfitters Local 773 Pension Fund v. Danske Bank A/S, No. 19-cv-235 (S.D.N.Y. Jan. 19, 2019). Danske Bank, *Interim Report – First Nine Months 2021*, p. 43, Case was dismissed on Jan. 21, 2021 for not meeting the criteria for approval as a class action; that decision was appealed, and the U.S. Court of Appeals upheld the lower court’s dismissal in August 2021.
- 57 Ritzau Finans, “Milliardkrav vælter ind mod Danske Bank,” *Berlingske*, Oct. 22, 2019.
- 58 Clifford Chance, Report of Investigation on Swedbank AB (publ), March 23, 2020 (Washington, DC: Clifford Chance US LLP, 2020).
- 59 Vibe Hyltoft *et al.*, “Nederlag i byretten: Danske Bank-chef får ikke navneforbud,” *Berlingske*, June 12, 2019.
- 60 Bruce Zagarts, “Danish Prosecutors Change 10



- Former High-Level Danske Bank Officials,” International Enforcement Law Reporter, May 24, 2019, Vol. 35, Issue 6.
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- 62 Eva Jung *et al.*, “Danske Banks advokater kulegraver fyring af detektiver,” *Berlingske*, Nov. 13, 2019. See also Signe Ferslev, “Advokater genåbner undersøgelse af Danske Bank,” *AdvokatWatch*, November 13, 2019.
- 63 Ritzau Finans, “Milliardkrav vælter ind mod Danske Bank,” *Berlingske*, Oct. 22, 2019.
- 64 Danish Financial Supervisory Authority, Påbud om at lade sagkyndige følge Danske Bank A/S [Order to engage experts monitor Danske Bank A/S], decision (February 19, 2021).
- 65 Eva Jung, “Nye konsekvenser i hvidvasksagen: Tidligere Danske Bank-chef sagsøges for milliarder,” *Berlingske*, Feb. 21, 2020. See also Danske Bank, Q3 Report, p. 44: “On 20 February 2020 and 12 March 2021, two cases were initiated against Thomas F. Borgen by 76 institutional investors and funded by the litigation funder Deminor Recovery Services. The total claim amount is approximately DKK 3.2 billion. Danske Bank has received procedural notifications in respect of both cases.”
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- 70 Danske Bank, *Interim Report – First Nine Months 2021*, p. 43.
- 71 Danish Financial Supervisory Authority, “Redegørelse vedrørende hvidvaskinspektion i Danske Bank A/S – screening for sanktioner”. Created on November 16, 2021. Last accessed on November 22, 2021.
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