

Press release

Amsterdam, 4 November
2015

Supervisory authorities complete Dubai investigations and impose fines

ABN AMRO announces today that the supervisory authorities in the Netherlands and Dubai have completed their investigations into the previously ascertained irregularities at its Private Banking office in Dubai.

De Nederlandsche Bank (DNB) has imposed a fine of EUR 625,000. The Dubai Financial Services Authority (DFSA) has imposed a fine of USD 640,000.

DNB and DFSA have observed serious shortcomings in the client acceptance and risk management processes, aimed at preventing money laundering at ABN AMRO's private banking branch in Dubai. The shortcomings pertain to the identification of ultimate beneficial owners, insight into clients' structures, establishing the source of wealth as well as adequate transaction monitoring. Shortcomings were also observed in ABN AMRO's Head office's oversight of its Dubai branch. DNB has concluded that ABN AMRO did not ensure that the client screening procedures of its office in Dubai complied with the Dutch Act to prevent Money Laundering and Terrorism Financing (Wwft). The DFSA has concluded that ABN AMRO contravened a number of specific DFSA rules. Both supervisors mitigated their fines on account of ABN AMRO's cooperative stance during the investigations and the proactive measures the bank has already taken. There have not been any findings that actual money laundering took place.

ABN AMRO sincerely regrets these irregularities and will not appeal the fines.

The irregularities came to light during an internal investigation conducted by the bank in response to two whistleblower reports. The investigation revealed amongst others that certain staff members had not adhered to the internal rules and regulations of ABN AMRO concerning client acceptance and prevention of money laundering. In accordance with the bank's zero-tolerance policy, the employment contracts with nine employees have been terminated.

Improvement programme

After discovering the irregularities, the bank immediately launched a remediation programme, which includes a review of the client portfolio of ABN AMRO's Private Banking office in Dubai. As a result, ABN AMRO has terminated pro-actively its relationship with about 80 clients and a number of intermediaries. In addition, a number of clients have terminated the relationship with the bank themselves.

ABN AMRO expects to complete the review by the end of this year. No new irregularities have been ascertained so far. ABN AMRO has also taken measures to further strengthen its international governance, in part by tightening reporting lines and procedures for escalation to Head office. In addition, the bank is, in the Netherlands and abroad, in the process of proactively reviewing client files to further improve the quality of the bank's client files.