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Danske Bank A/S started the liquidation of its Estonian branch from 1 October 2019.

Finantsinspektsioon issued a precept on 19 February this year requiring Danske Bank to end the activities of its branch in Estonia. The bank has been complied correctly with the precept issued by the supervisor so far and the majority of its client contracts have been handed over as required.

Initiating the liquidation proceedings for the branch is the next step in ending its operations in Estonia completely. The majority of the remaining clients of the bank will be handed over to LHV Bank and to the Lithuanian branch of Danske Bank. Those transferring to the Lithuanian branch will by requirement of Finantsinspektsioon be subject to Estonian law and the clients will be served in Estonian.

Danske is transferring around 11,000 client portfolios to LHV. Transferring the data of these clients correctly requires the bank taking them on to have additional IT solutions installed. In consequence, Finantsinspektsioon has extended the right of Danske bank to make payments through its branch in Estonia until 31 December 2019. The branch of Danske bank may not take on new clients and is actually in the process of ending its activities. Danske Bank and LHV Pank must provide ongoing information on the transfer of the client portfolios, and clear indications about their future activities.

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