

Press release

17 September, 2019

Swedbank has replied to the Financial Supervisory Authorities in Sweden and Estonia

Last night, Swedbank submitted its answers to the questions the bank has received from the Financial Supervisory Authorities in Sweden and Estonia, as a result of their ongoing investigations of the bank. Swedbank notes that many of the key observations made by the two Financial Supervisory Authorities correspond to the bank's own conclusions.

In later years, Swedbank has continuously improved its system support, processes and routines. The bank has also terminated relations with clients who do not meet regulatory requirements or the bank's policy.

Nevertheless, the bank's anti-money laundering work has had, and still has, certain shortcomings. In the past, the bank has not allocated sufficient resources and competence to adequately manage the risk of money laundering by clients and third parties. The division of responsibilities within the bank has not been clear enough, and the bank has not always complied with internal policies. Know Your Customer and risk assessment are areas where Swedbank has had, and still has, shortcomings. This applies both to the Swedish and Estonian operations.

Based on these insights, Swedbank is currently hard at work to ensure regulatory compliance going forward. In February this year, the international law firm Clifford Chance was retained to conduct an internal investigation into historical shortcomings in the bank. This investigation is expected to be concluded in early 2020.

Clifford Chance will also make recommendations to ensure that Swedbank meets industry best practices and regulatory expectation.

Within the scope of the bank's new unit, Anti Financial Crime (AFC), work has been ongoing since April to identify historical shortcomings and to develop the bank's ability to prevent all types of financial crime.

The bank will provide information regarding its efforts to combat money laundering and other types of financial crime in connection to the next interim report on 23 October.

Decisions made by the Board of Directors

Swedbank's board has decided to meet the request from Swedish Economic Crime Authority to waive attorney-client privilege regarding the attorney Erling Grimstad's assignments for Swedbank.

The Board of Directors has appointed Ingrid Harbo as permanent Chief Compliance Officer. Ingrid Harbo will continue to be co-opted to the Group Executive Committee.

Contact:

Unni Jerndal, Press Officer, Swedbank, tfn: +46 73 092 11 80