

STOCKHOLMS TINGSRÄTT
Avdelning 5

INKOM: 2022-01-04
MÅLNR: B 84-22
AKTBIL: 4

BILAGA B

Rapporter Styrelseprotokoll Swedbank

till förundersökningsprotokoll

EB-1081-19
9000-K822-19

Grovt svindleri
Grov marknadsmanipulation

Misstänkt:

Birgitte Bonnesen

Krinsp Björn Sandman
Krinsp Ann-Christin Sandén
Ekobrottsmyndigheten - Finansmarknadskammaren
Stockholm



Myndighet
Ekobrottsmyndigheten

Enhet
Stockholm FMK

Handläggare (Protokollförare)
Björn Sandman

Bitr. handläggare
Ann-Christin Sandén

Undersökningsledare
Thomas Langrot

Polisens diarienummer
9000-K822-19

Protokollbilaga

Arkiv/Åkl. ex

Åklr
EB-1081-19

Signerat av
Björn Sandman

Signerat datum
2021-12-16 16:05

Datum
2021-01-29

1

Personer i ärendet

Förtursmål Nej	Beslag Finns	Målsägande vill bli underrättad om tidpunkt för huvudförhandlingen Nej	
Ersättningsyrkanden		Tolk krävs	
Misstänkt (Eftemamn och förmamn) Bonnesen, Birgitte		Personnummer 19560518-1824	
Delgiven information om förenklad delgivning vid ett personligt möte genom att skriftlig information överlämnats			
Underrättelse om utredning enligt RB 23:18a Underrättelsesätt, misstänkt Skickad per mejl och post samt överlämnad hos advokatbyrån.	Underrättelse utsänd 2021-01-29	Yttrande senast 2021-12-03	Underrättelse slutförd 2021-02-01
Försvare Privat försvarare, Per E Samuelson	2021-01-29	2021-12-03	2021-02-01
Underrättelsesätt, försvarare Skickad per mejl och post samt överlämnad hos advokatbyrån.	Resultat av underrättelse mt Erinran, 2021-12-03	Resultat av underrättelse försv Erinran, 2021-12-03	

Notering

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Rapporter förevisade vid förhör

Rapporter daterade 2016, 2017, 2018 och 2019 som blivit förevisade vittnen och misstänkt vid förhör.

Under respektive rapport framgår namn på förhörspersonen som blivit förevisad och förhørsdatum.

Bilagor till rapport ej förevisade vid förhör

Appendix 1 och Appendix 2 till rapport, Follow up on Swedbank's risk exposure in relation to the investigation of ML issues in Danske bank, Estonia 2018-09-20.

De två bilagorna är inte förevisade vid förhör.

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Rapporter daterade 2013, 2017 och 2018.

Board of Directors 2018-09-27 finns i olika versioner. Se även under, Rapporter förevisade vid förhör.

Inkomna dokument vid förhör

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Styrelseprotokoll

Styrelseprotokoll daterade, 2018-07-17, 2018-09-27, 2018-10-22 och 2019-04-10.

Utvalda sidor ur styrelseprotokollen är förevisade vid förhör, se förhör.

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Från: Christina Claesson
Till: [Sandman Björn](#)
Ärende: SV: E-mail
Datum: onsdag den 4 september 2019 11:04:20
Bilagor: [Till EBM 190904.zip](#)

Hej Björn,

Bifogar filerna – de är krypterade med 7-zip/skyddade med lösen. Skickar lösen till dig på sms (antar jag kan skicka sms till det nr du ringde från igår?) efter att du bekräftat mottagande av detta mail.

Du öppnar sedan filerna genom att spara zip-mappen i detta mail någonstans där du vill spara materialet. Högerklicka på zip-mappen och välj 7-zip sedan "packa upp filer". Fyll i lösenordet i dialogrutan och tryck OK.

Mvh,

Christina

Från: Sandman Björn <Bjorn.Sandman@ebm.se>
Skickat: den 3 september 2019 15:14
Till: Christina Claesson <christina.claesson@fi.se>
Ämne: E-mail

Vänligen

Björn Sandman

Björn Sandman
Kriminalinspektör

Ekobrottsmyndigheten Stockholm
Finansmarknadskammaren
Hantverkargatan 15, Box 820, 101 36 STOCKHOLM
Direkt 010-562 92 18, Mobil 072-587 35 99
Växel 010-562 90 00, Fax 010- 562 90 85

bjorn.sandman@ebm.se



Ekobrottsmyndigheten
Swedish Economic Crime Authority

Prepared for: The Board of Directors

Customers with offshore engagements (follow-up)

Confidential

25 April, 2016

Prepared by: Viveka Strangert, Chief Compliance Officer

Summary

- On the Board Meeting the 5 April, 2016, the Board of Directors assigned the CEO to update the Board on the situation regarding the Group's status in relation to offshore countries.
- There are several cases when the bank, or its subsidiaries, have business relations with customers located in offshore jurisdictions. This can be accepted when it is proven and documented that the customers have a legitimate reason to reside in such place. Examples of such cases are when the customer's identity is acknowledged, the source of funds unquestionable and the risk for money laundering can be managed properly.
- To enable a relevant business decision whether a customer can be accepted or not, it is essential that each customer's full identity, the purpose and nature of the relationship with the bank, source of funds, etc. ("Know Your Customer", KYC) is carried out and properly documented. Therefore, the KYC on all customers domiciled in a country that can be classified as offshore, is revised by responsible Business Area.
- Compliance will advise and support the business to achieve an updated and relevant KYC. Moreover, Compliance will monitor the area during Q3/ 2016 and thereafter report status to the Board.

1. Background

On April 3, 2016, media informed globally about a law firm in Panama (Mossack Fonseca) that has provided advice, facilitated and created corporate structures with the purposes to facilitate tax evasion, corruption and other acts of money laundering for customers throughout the world. Mossack Fonseca is one of a number law firms that provides these services. A number of political leaders and other celebrities were pointed out with name and position, as were a number of banks that have assisted their customers to come in touch with the law firm. In Sweden the bank Nordea was pointed out officially by media, but in the leaked documents the also name "Swedbank" is mentioned over 700 times. There is currently no information on what context Swedbank has been mentioned in.

Following the attention, the S-FSA on April 12, 2016, asked for information from Swedbank and the other 3 large banks in Sweden. The answer, based on information provided by the Business Areas attached, was submitted to the S-FSA on April 15, 2016, as requested. The questions were targeting the Group's and the Group's customers' involvement with offshore jurisdictions on a broad scope, as well as Swedbank's internal control structure and framework regarding risks related to offshore business. . It can be presumed that the S-FSA will come back with follow-up questions in the near future.

2. What the investigation has shown so far

All Business Areas have gone through their customer bases to compile customers located in jurisdictions that



could be classified as "offshore"¹. Further, customers located in other low-tax jurisdictions are also included, e.g. customers located in Luxembourg (although it could be questioned if Luxembourg is an offshore company, as it is not classified as such according to the list held by the IMF).

The compilation shows that there are a number of companies located in the above mentioned countries, for a more detailed report please refer to Appendices A – D (optional reading). Moreover, it is clear that some of the customers have "shell companies" in their company structure. Although, all Business Areas affirm that their customers have a legitimate purpose for their structure and that the reason for being located in an offshore jurisdiction is neither tax evasion nor any other illegal activity. They also confirm that they have a relevant know your customer (KYC) information documented on the customers, incl. identification of ultimate beneficial owners, information on source of funds and an understanding of the purpose and nature of the business relationship with the bank.

The Business Areas' mappings have been cross checked against lists from another IT-system (which is held for tax-reporting purposes). This cross check confirms the Business Areas' compilations of the customers in Sweden and the branches. However, further investigation is needed in the Baltics to secure that a complete picture of the situation can be presented.

3. Actions going forward



4. Appendices (optional reading)

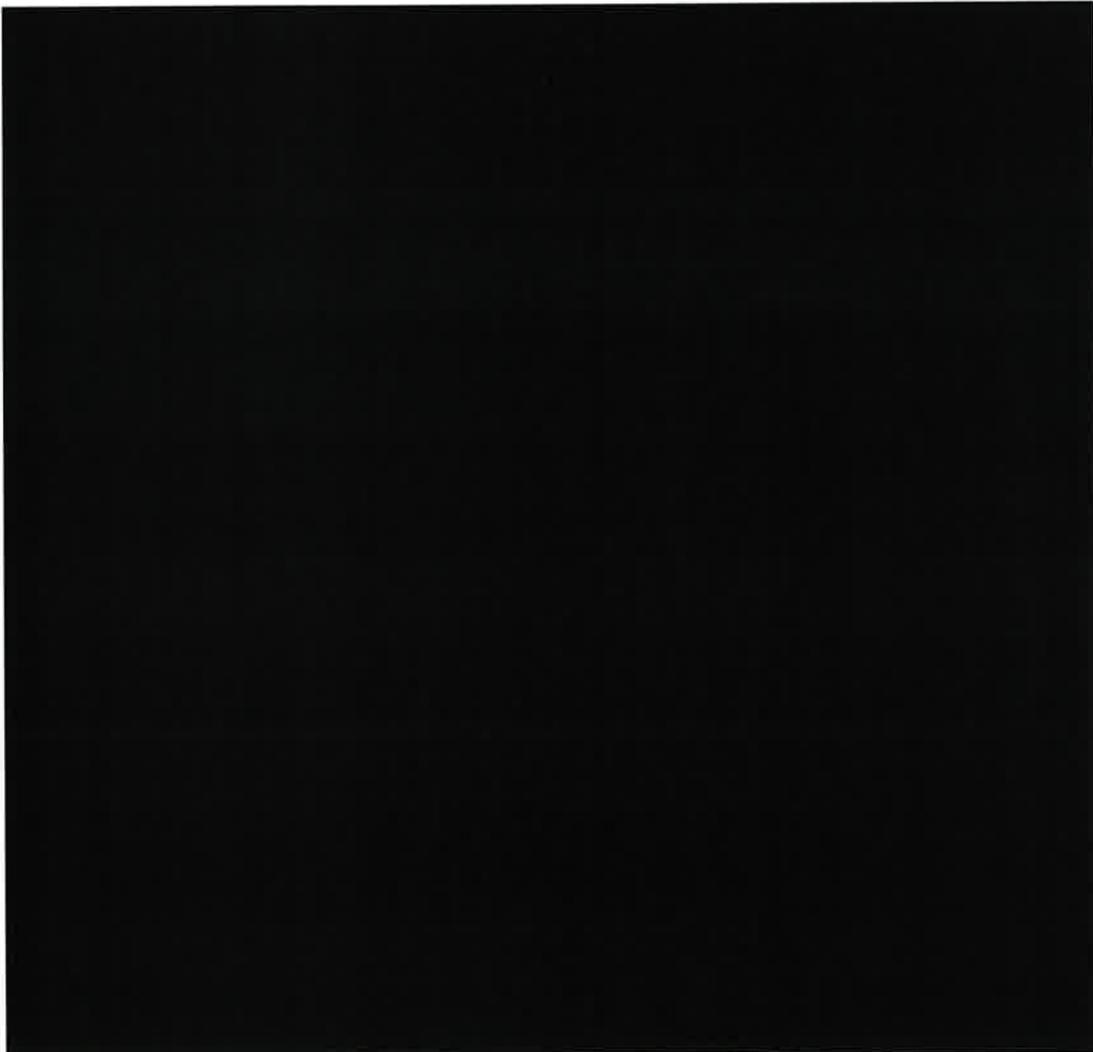
- A. Situation in BA Swedish Banking (self-assessment)
- B. Situation in BA LC&I (self-assessment)
- C. Situation in BA Baltic Banking (self-assessment)
- D. The Group's own dealings

¹ Nota bene: the definition of "offshore" is not officially clarified and can be debated.

PM

2016-04-14

SWEDISH BANKING

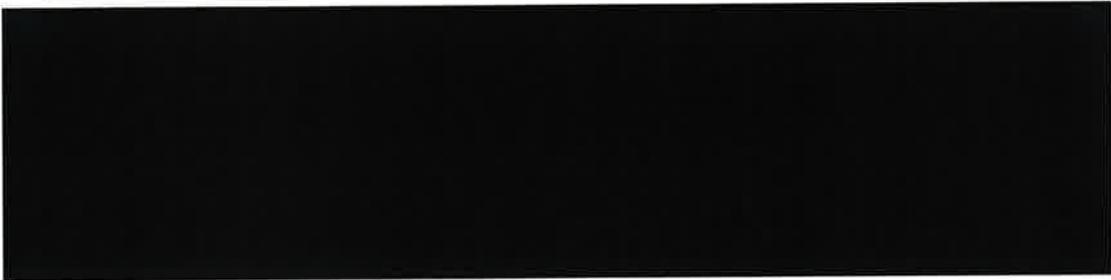
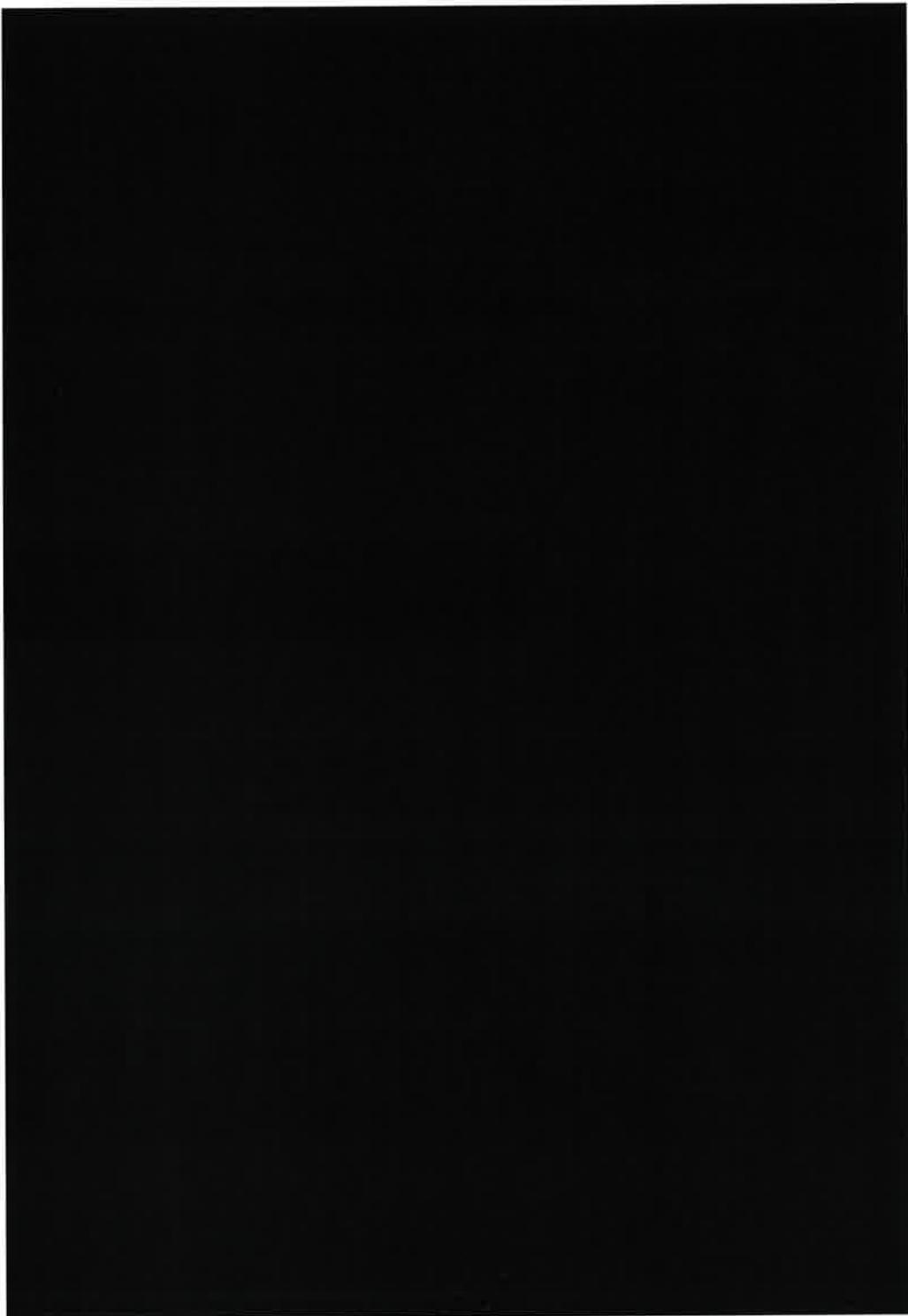


Konfidentiellt

Författare/administratör: Malin Grundsell
Avdelning: Competence Centre Risk, Swedish Banking

Specifikation/version:
Informationsklass: Konfidentiellt

Begränsad behörighet (om tillämplig): Swedish Banking
Group Compliance



Konfidentiellt

Projektname:
Dokumentname:
Spekifikation/version:

Författare/administratör: Malin Grundsell
Avdelning: Competence Centre Risk, Swedish Banking
Informationsklass: Konfidentiellt

Begränsad behörighet (om tillämplig): Swedish Banking
Group Compliance

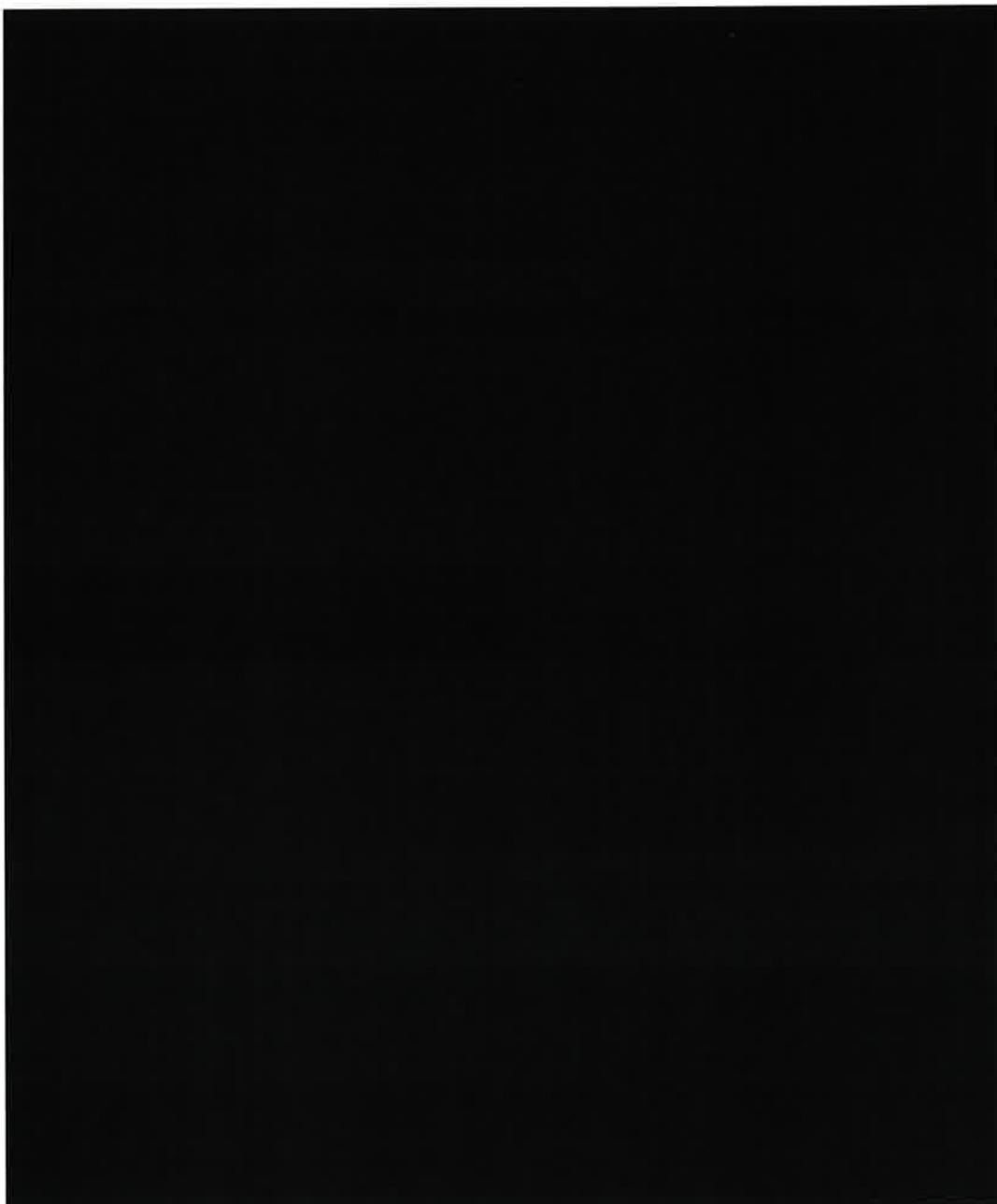


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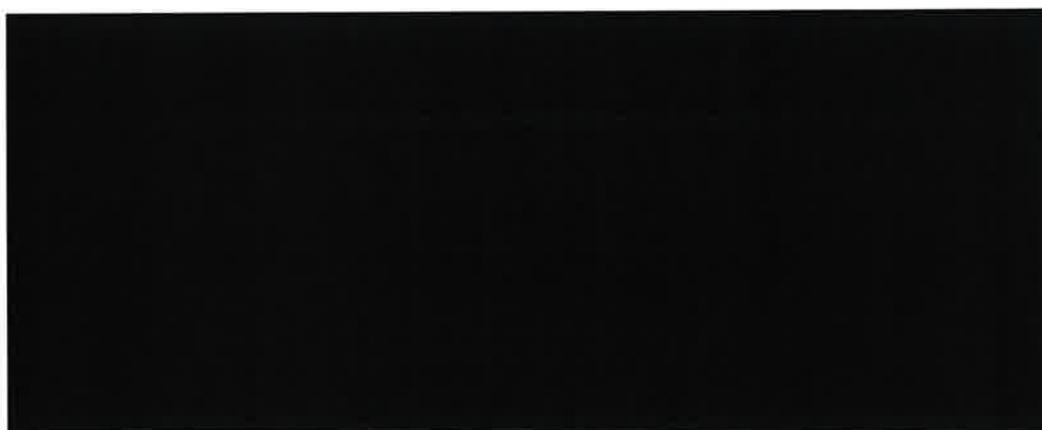
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Specifikation/version:

Författare/administratör: Malin Grundsell
Avdelning: Competence Centre Risk, Swedish Banking
Informationsklass: Konfidentiellt

Begränsad behörighet (om tillämplig): Swedish Banking
Group Compliance



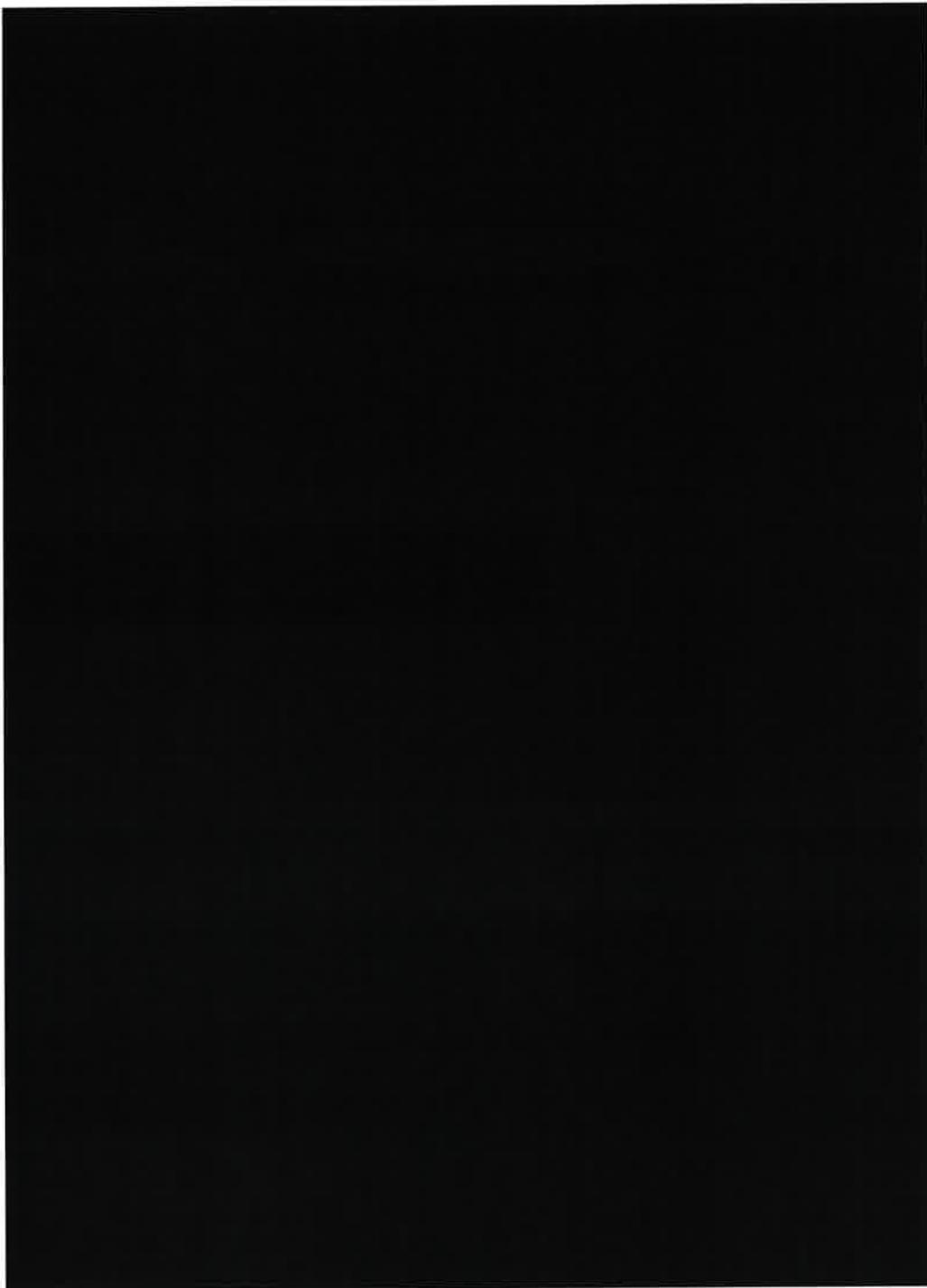
Konfidentiellt



Projektname:
Dokumentname:
Spekifikation/version:

Författare/administratör: Malin Grundsell
Avdelning: Competence Centre Risk, Swedish Banking
Informationsklass: Konfidentiellt

Begränsad behörighet (om tillämpligt): Swedish Banking
Group Compliance



Konfidentiellt

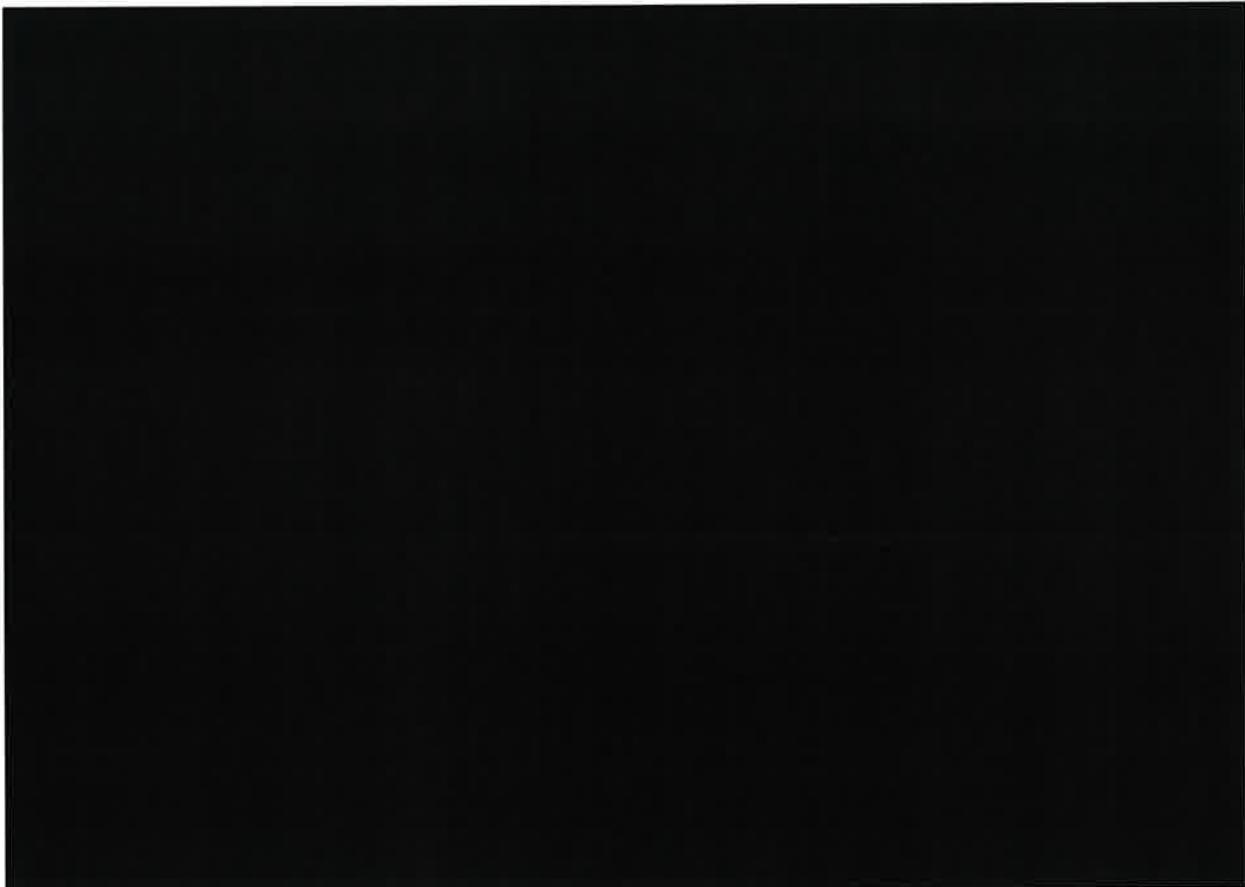
Appendix B**Prepared for: Björn Meltzer, Viveka Strangert****Report on Panama-papers mapping in LC&I****Date 2016-04-14**

Prepared by: Robert Schönbeck, Head of LC&I AML Office

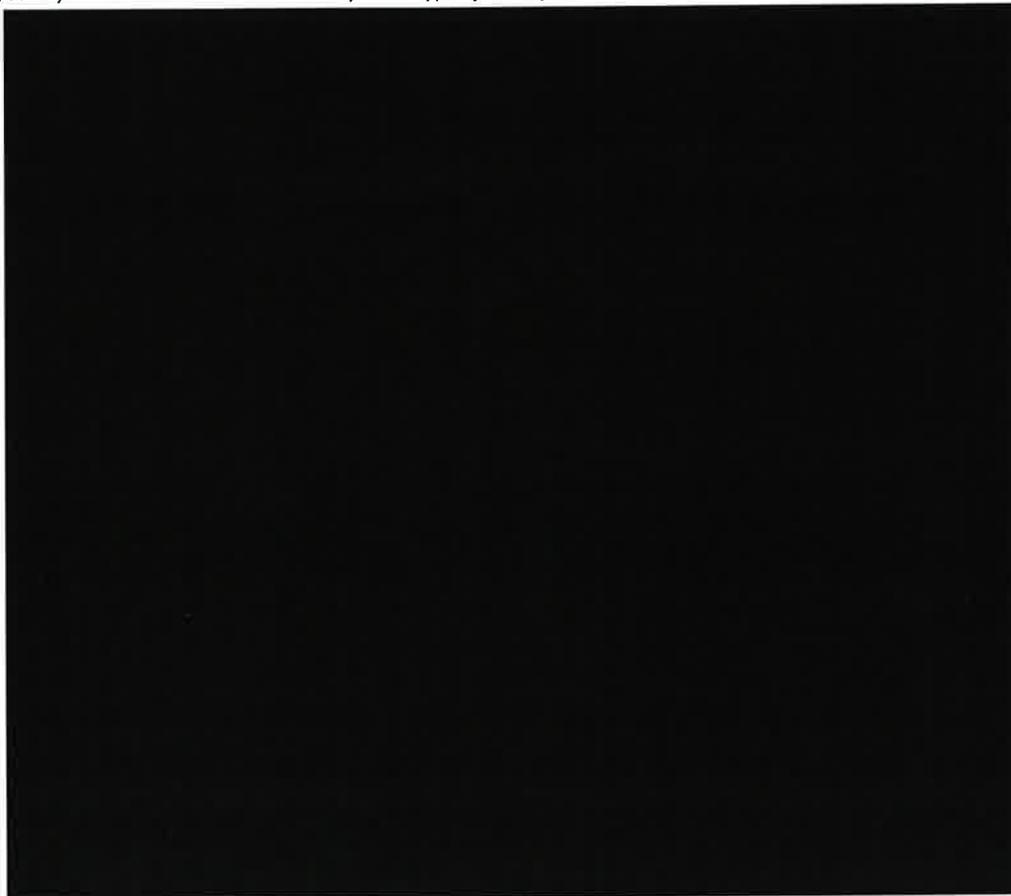
Confidential information**Introduction**

Large Corporates & Institutions (LC&I) is Swedbank's business area dedicated large corporations and financial institutions. Our client base is geographically diversified, including complex corporate structures spanning over a multitude of jurisdictions. Our product offering is a comprehensive portfolio of GTS and Markets products and is tailored to the needs of this client base but is also largely available to retail clients in Swedish Banking, Baltic Banking as well as private individuals in Private Banking.

In response to the so called Panama Papers recently made public, LC&I has mapped our clients and transactions with the objective to uncover any connection we or our clients may have had with the law firm Mossack Fonseca in Panama. This report covers the areas of Large Corporates, Financial Institutions, all branches (incl the rep office in Johannesburg), CRM Retail, Trade Finance, Cash Management, International Cash Management, Securities Services, Transaction Banking, Investment Banking, and LC&I Legal.



2. *Do you in your BA have customers with any other type of "shady business?"*



3. *If you find any customers that have a type of business/activity that you do not accept, what is your plan to get rid of them?*



4. *Does your business area provide any tax advice tht could recommend non-acceptable tax evasion?*



5. *What activities will you do to safeguard that no unwanted business/activity is conducted by customers in your BA?*





6. *If you feel you need more time to get the full picture of the situation, what actions are you doing to achieve that and when will you be finished?*



7. *Other relevant information on the matter.*

Appendix C

Summary about Swedbank BA Baltic Banking (Estonia, Latvia, Lithuania)

1. *Do you in your BA have any customers with any type of relation with Mossack Fonseca (agreements, payments etc.)? Please specify number of customers and type of activity.*

ESTONIA:

There are 28 customers (see Appendix 1) from 15 client groups who have used Mossack Fonseca as their registered agent in founding and managing an off-shore company. Ultimate beneficiaries of all these customers have non-Estonian background. The largest number (13) of Mossack Fonseca related companies are related with a client group called [REDACTED] is one of the biggest coal producers in Russia having also a coal terminal in Tallinn. Considering the total number of companies in this Group (nearly 200), Mossack Fonseca related entities make only a minor part of the whole Group. In all of these cases Swedbank has not had any kind of special direct relationship with Mossack Fonseca, the direct counterparty has always been the client itself.

LATVIA:

[REDACTED]

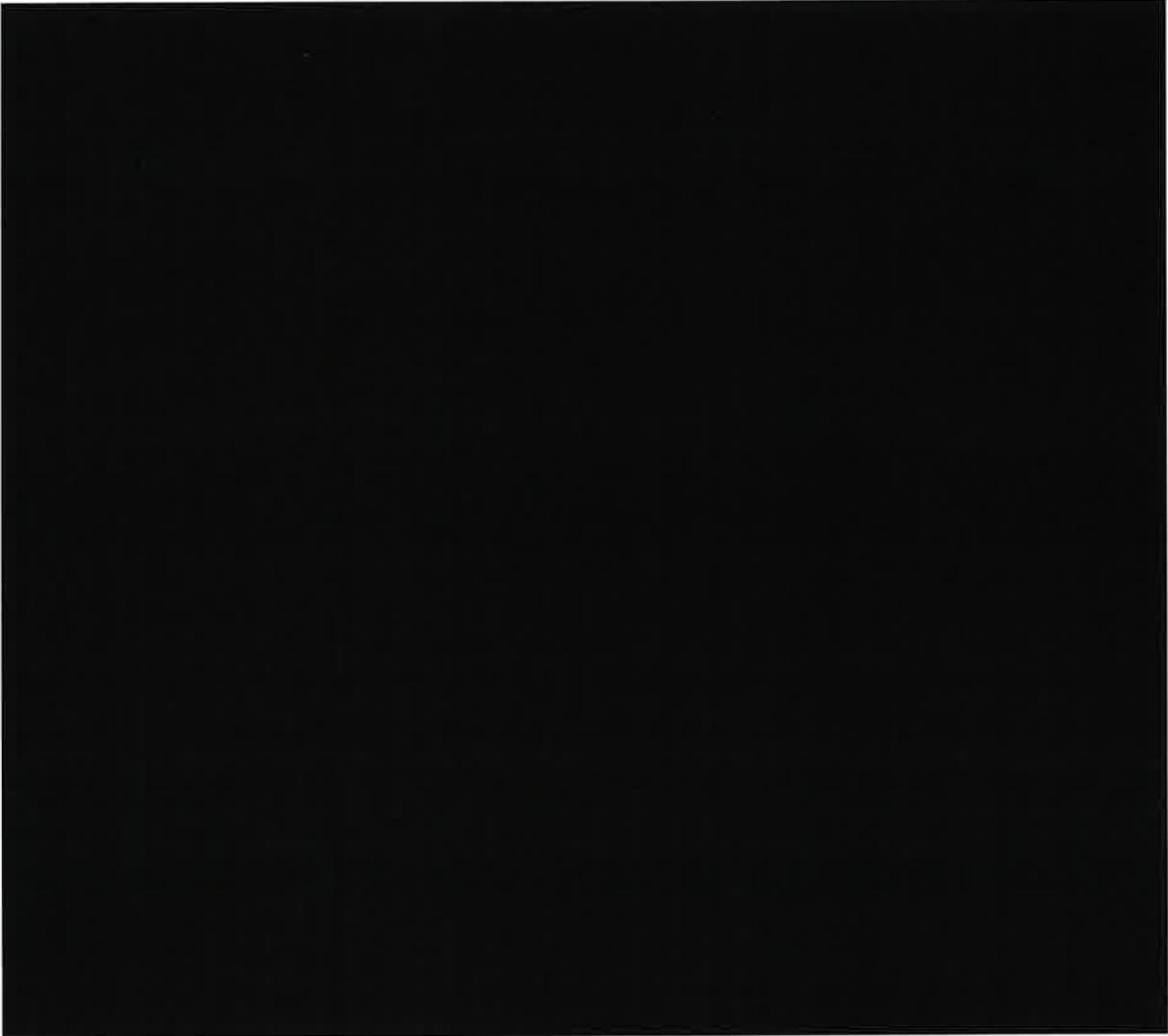
LITHUANIA:

[REDACTED]

2. *Do you in your BA have customers with any other type of "shady business", e.g. shell companies in offshore jurisdictions? If yes, please provide information on if you have judged the arrangement acceptable and on what ground.*

ESTONIA:

[REDACTED]



LATVIA:



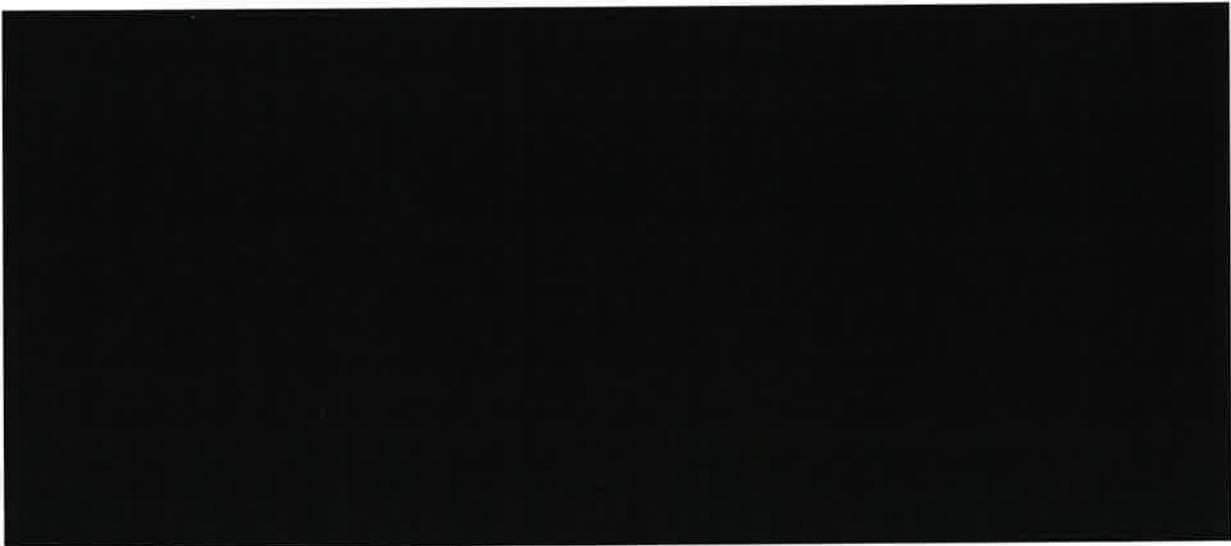
LITHUANIA:





3. *If you find any customers that have a type of business/ activity that you do not accept – what is your plan to get rid of them? Can you estimate a time frame for that? What activities will you do to safeguard that no unwanted business/ activity is conducted by customers in your BA?*

ESTONIA:



LATVIA:



LITHUANIA:



4. *Does your business area provide any tax advice that could recommend nonacceptable tax evasion?*

ESTONIA, LATVIA, LITHUANIA:



5. *If you feel you need more time to get the full picture of the situation – what actions are you doing to achieve that and when will you be finished?*

ESTONIA:



LATVIA:



LITHUANIA:



Appendix 1. Swedbank Estonia's clients with Mossack Fonseca link



Appendix D

Swedbank Group's own dealings in offshore jurisdictions

[Redacted]

[Redacted]

Investment

[Redacted]

Sandén Ann-Christin

Från: Christina Claesson <christina.claesson@fi.se>
Skickat: onsdag den 18 september 2019 12:28
Till: Sandén Ann-Christin
Kopia: Alexandra Kettis; Langrot Thomas; Sandman Björn; Per Håkansson
Ämne: SV: Re: Möte?
Bifogade filer: Q1 2016 pwd.docx

Hej Ann-Christin,

Tack för att du och dina kollegor tog er tid att träffa oss tidigare idag.

Jag ser att vi (inom ramen för den löpande tillsynen) fått in kvartalsrapporten för Q1 2016 som du efterfrågade.

Däremot kan jag inte se att vi på motsvarande sätt fått in de två bilagor som refereras till i Q2-rapporten för 2016 och som jag tror du också efterfrågade. Jag får be Alexandra såsom undersökningsledare att kontrollera om vi skulle ha tagit in de bilagorna inom ramen för undersökningen.

Jag bifogar i a f kvartalsrapporten för Q1 2016. Den är lösenordskyddad och jag kommer skicka lösen separat till dig.

Mvh,

Christina

Från: Sandén Ann-Christin <Ann-Christin.Sanden@ekobrottsmyndigheten.se>
Skickat: den 12 september 2019 15:09
Till: Christina Claesson <christina.claesson@fi.se>
Ämne: SV: Re: Möte?

Ja tack, det blir perfekt.

Mvh
Ann-Christin

Från: Christina Claesson <christina.claesson@fi.se>
Skickat: torsdag den 12 september 2019 15:05
Till: Sandén Ann-Christin <Ann-Christin.Sanden@ekobrottsmyndigheten.se>
Kopia: Sandman Björn <Bjorn.Sandman@ekobrottsmyndigheten.se>; Langrot Thomas <Thomas.Langrot@ekobrottsmyndigheten.se>
Ämne: SV: Re: Möte?

Toppen - då ses vi hos oss 08:45 den 18/9.

Ska jag skicka lösen till dig Ann-Christin?

Mvh

Christina

Från: Sandén Ann-Christin <Ann-Christin.Sanden@ekobrottsmyndigheten.se>

Datum: 12 september 2019 14:59:16 CEST

Till: Christina Claesson <christina.claesson@fi.se>

Kopia: Sandman Björn <Bjorn.Sandman@ekobrottsmyndigheten.se>, Langrot Thomas <Thomas.Langrot@ekobrottsmyndigheten.se>

Ämne: SV: Re: Möte?

Hej igen,

Har stämt av med Thomas och Björn och vi kan vara hos er kl 08.45.

Tack för rapporten.

Mvh

Ann-Christin

Från: Christina Claesson <christina.claesson@fi.se>

Skickat: torsdag den 12 september 2019 14:01

Till: Sandén Ann-Christin <Ann-Christin.Sanden@ekobrottsmyndigheten.se>

Kopia: Sandman Björn <Bjorn.Sandman@ekobrottsmyndigheten.se>; Langrot Thomas <Thomas.Langrot@ekobrottsmyndigheten.se>

Ämne: SV: Re: Möte?

Hej Ann-Christin,

Tack för snabbt svar. Den 18 september passar oss bra men en av oss behöver gå till ett annat möte senast 09:45 så jag undrar om ni kan tänka er att ses 08:45; eller t o m 08:30? Om inte, så föreslår jag att vi träffas kl 09:00.

Jag återkommer om rapporten.

Mvh

Christina

Från: Sandén Ann-Christin <Ann-Christin.Sanden@ekobrottsmyndigheten.se>

Skickat: den 12 september 2019 12:25

Till: Christina Claesson <christina.claesson@fi.se>

Kopia: Sandman Björn <Bjorn.Sandman@ekobrottsmyndigheten.se>; Langrot Thomas <Thomas.Langrot@ekobrottsmyndigheten.se>

Ämne: SV: Re: Möte?

Hej Christina,

Vi har fått uppdraget av Thomas att återkomma till dig med möjligt datum för ett möte med er. Vårt förslag på ett möte blir den 18 september, hoppas det är ett datum som även passar er.

Vi kan från klockan 09.00 och ser gärna att mötet är hos er.

Vi önskar ta del av en rapport från Swedbank som heter "Compliance Report Q2" för 2016 med bilagor samt en förteckning över andra rapporter som ni fått under första halvåret 2016.

Med vänlig hälsning
Ann-Christin Sandén
Utredare/kriminalinspektör
Finansmarknadskammaren
Mobil 0733-31 54 46

Från: Langrot Thomas

Skickat: torsdag den 12 september 2019 10:42

Till: Sandén Ann-Christin <Ann-Christin.Sanden@ekobrottsmyndigheten.se>; Sandman Björn

<Bjorn.Sandman@ekobrottsmyndigheten.se>

Ämne: Fwd: Re: Möte?

Skickat från [Workspace ONE Boxer](#)

----- Vidarebefordra meddelande -----

Från: Langrot Thomas <Thomas.Langrot@ekobrottsmyndigheten.se>

Datum: 12 september 2019 09:57:35 CEST

Ämne: Re: Möte?

Till: Christina Claesson <christina.claesson@fi.se>

Hej Christina. Återkommer under dagen.

Mvh

Thomas

Skickat från [Workspace ONE Boxer](#)

Den 12 september 2019 09:04:25 CEST Christina Claesson <christina.claesson@fi.se> skrev:

Hej Thomas,

Vi pratade ju tidigare i veckan om att eventuellt ordna ett möte mellan dig/ditt team och representanter för vår undersökning. Jag skulle gärna vilja boka ett sådant möte och helst så snart det går. Du nämnde att ni är väldigt upptagna i närtid och jag tänkte därför att det kanske är bäst att vi börjar med att ni ger några tids-förslag för ett möte? Lite beroende på tidpunkt kan vi nog också vara flexibla var mötet sker - hos er eller hos oss.

Från vår sida skulle det i s f vara Per Håkansson (Chefsjurist), Alexandra Kettis (Finansinspektör och undersökningsledare), samt jag själv som deltar i ett sådant möte.

Jättetacksam om du kan återkomma om detta.

Mvh,

Christina

CHRISTINA CLAESSION
Rådgivare/ Senior Advisor
Tillsyn stora banker/ Large Banks Supervision

Finansinspektionen
Box 7821, SE-103 97 Stockholm, Sweden
Brunnsgatan 3
Tel +46 8 408 980 00. Dir +46 8 408 982 53
Fax +46 8 24 13 35
christina.claesson@fi.se
www.fi.se

Prepared for: the Board of Directors

Compliance Report

Q1 2016

Prepared by: Viveka Strangert, Chief
Compliance Officer

Highlights

- **AML/ CTF:** Deficiencies in risk assessment, KYC processes, screening & transaction monitoring within Baltic Banking.
- **Internal governance:** Deficiencies in suitability assessment of key function holders.

Please note that regular monitoring activities carried out according to the approved Compliance Plan will not be included in this report. A register of performed monitoring activities is kept by Compliance and available at request.

Regulatory development is reported in a separate report twice a year (Q1 and Q3).



1. New Key Compliance issues and recommended actions

1.1 AML/ CTF

1.1.1 Insufficient AML Risk Assessments on country level

BA/GP/GF

Baltic Banking

Reported

Q1 2016

Issue

The three Baltic countries lack sufficient and documented AML Risk Assessments on country level. There are risk assessments in place to some extent but these mainly cover customer segmentation rather than the required total scope (customers, products, channels, geographies and transactions). The AML Risk Assessments provide the basis for risk management including setting relevant KYC processes, transaction monitoring, follow-up etc., and therefore need to be prioritised.

Consequences

The business area is not compliant with internal and external regulations regarding AML Risk Assessments. By not having a relevant risk assessment in place, Baltic Banking may fail to assess relevant risks and ultimately increase the risk for being used for money laundering or terrorist financing purposes. Ultimately there is a risk for regulatory sanctions, negative impact on Swedbank's funding, impaired correspondent banking relationships and bad/non-compliant business decisions. In addition the lack of relevant AML Risk Assessments might lead to inefficient risk management as AML-related processes might not be set up according to a risk based approach.

Actions



Compliance support





1.1.2 Insufficient KYC processes

BA/GP/GF

Baltic Banking

Reported

Q1 2016

Issue

The KYC processes in all three countries need to be clarified in terms of level of customer due diligence, KYC information documentation and storage, follow-up etc. KYC data must be easily retrievable and part of transaction monitoring parameters. The processes need to be based on each country's AML Risk Assessment. All countries currently use customer declaration forms for KYC that are similar, but with more uniform templates and processes efficiency gains could probably be achieved, as similar information is necessary throughout the business. Moreover, it is not clear if and how the KYC is validated and followed-up in the business to ensure that all customers have relevant and updated KYC. Therefore there is a need to scrutinize and probably improve such a process, and implement it based on the AML Risk Assessment. In addition, in order to meet the updated LV FSA regulation (in force since December 2015) on enhanced customer due diligence requiring implementation of customer AML statistical risk scoring, a proper action plan should be set up to implement these new requirements. It should be also evaluated if some processes related to AML risk handling can be aligned on the Baltic level.

Consequences

By not having a relevant and documented KYC on all clients in Baltic Banking, the business area is not fully compliant with internal and external regulations, and consequently there is a risk of sanction from the supervisory authorities. Additionally, the bank might not detect and act upon all suspicious money laundering and financing of terrorism that flows through the bank's systems.

Actions



Compliance support





1.1.3 Insufficient sanction screening of transactions, and sanction and PEP screening of customers

BA/GP/GF

Baltic Banking

Reported

Q1 2016

Issue

Transaction Screening

The three countries currently use an in-house solution for screening of international payments. All possible hits are forwarded for further manual analysis to the local AML teams. However, the in-house solution does not have the fuzzy matching functionality¹ meaning that there is a risk to miss the payments containing sanctioned items in case of deviations from exact matches. Moreover, domestic payments and SWIFT messages must be screened in relevant parts.

Customer Base Screening

Online screening of new customers and beneficial owners must be implemented to avoid onboarding of customers or beneficial owners, which are on the sanction lists. Also individuals that are politically exposed persons (PEP) must be identified so they can be treated accordingly. It is not sufficient to screen individuals after they are on-boarded, as is the case today.

On-going activities

Presently, several AML projects are working to close the identified gaps and they are highly prioritized due to the urgency.

Consequences

An insufficient sanction screening risks that the Group has a business relationship with a sanctioned party. A breach of a legally-binding financial sanction (EU) would have severe impact on the Group and could ultimately risk the banks license and personal imprisonment of the CEO. A breach of a non-legally binding financial sanction (OFAC) could negatively impact the Group's relations with international investors and correspondent banks, leading to reputational risk, funding issues and the possibility to provide customers with international payment products.

Actions



Compliance support



¹ Meaning that miss-spelled words, words that are written together without space, etc. are not captured in the system and do not create a hit.



1.1.4 Insufficient transaction monitoring

BA/GP/GF

Baltic Banking

Reported

Q1 2016

Issue

The three countries currently use different tools for transaction monitoring, all of which are more or less manual. There is a need for a system-based transaction monitoring system with relevant scenarios to detect money laundering and terrorist financing based on each country's AML Risk Assessment and in line with both local regulation and Group minimum requirements. This means that the transaction monitoring should cover both the mandatory reporting according to local FSA requirements as well as risk based transaction monitoring daily, based on the risks identified in the AML Risk Assessments.

Consequences

Transaction Monitoring

An inefficient transaction monitoring and non-compliance with relevant regulations might lead to Swedbank being used for money laundering or terrorist financing purposes, regulatory sanctions, damage on the Swedbank brand and an insufficient reporting to the FIU.

Actions



Compliance support



1.2 Internal Governance

1.2.1 Deficiencies in suitability assessment of key function holders

1.2.1.1 Lack of policy

BA/ GP/ GF

Group HR

Reported

Q1 2016

Issue

In accordance with the EBA guidelines on assessment of the suitability of key function holders, the Bank shall have a policy in place for assessing the suitability of key function holders that sets out at least the positions for which a suitability assessment is required, the individuals or function responsible for performing the suitability assessment, and the criteria for reputation and experience to be assessed for the specific position. In addition, the Guidelines on Internal Governance require that the management body should have a policy in place for selecting, monitoring and planning the succession of key function holders. As demonstrated by the monitoring performed by the Compliance Function,

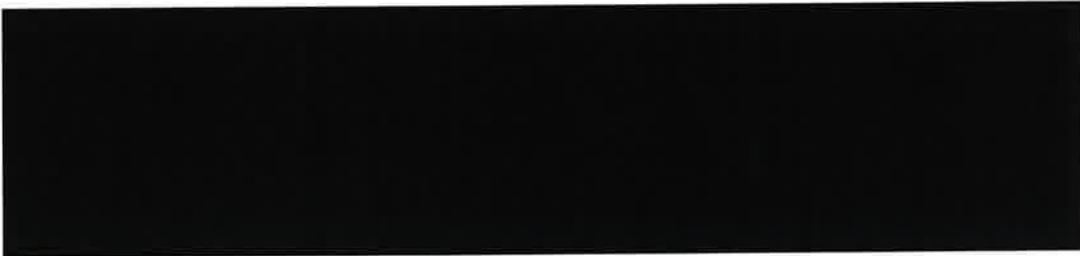


the Bank lacks a policy for assessing the suitability of key functions holders and a policy on the nomination and succession of individuals with key functions.

Consequences

The lack of a policy entails that the Bank is non-compliant with the EBA guidelines and also the Guidelines on Internal Governance. The non-compliance could lead to a risk that the Bank has key function holders that are not suitable for their positions, i.e. they could lack experience for their positions or not be of good repute.

Actions



Compliance support



1.2.1.2 Governance and internal control

BA/ GP/ GF

Group HR

Reported

Q1 2016

Issue

Chapter 2, Section 1 of the S-FSA Regulatory Code on Governance, Risk Management and Control, FFFS 2014:1, states, among other things, that a bank shall ensure that its organisational structure is transparent with a clear allocation of functions and areas of responsibilities ensuring sound and efficient governance. The EBA Guidelines on assessment of the suitability of key function holders set out the process, criteria and minimum requirements for assessing the suitability of the Bank's key function holders which should be included in the Bank's policy for assessing the suitability of key function holders. As demonstrated by the monitoring performed by the Compliance Function, the Bank has inadequate governance arrangements and lack of an internal control structure within Group HR in relation to suitability assessments of key function holders. The internal guidelines, provided by HR, are insufficient and not comprehensive.

Consequences

The inadequate governance arrangements and lack of internal control structure in the process for suitability assessments of key function holders do not meet the requirements set out in Chapter 2, section 1 in FFFS 2014:1, nor the EBA Guidelines. The non-compliance has led to the non-execution of suitability assessments of key function holders and could lead to the risk that the Bank has key function holders that are not suitable for their positions, i.e. they could lack experience for their positions or not be of good repute.

Description	Deadline	Responsible person
[Redacted]		



Compliance support



2. Follow-up Compliance issues

All parts in this section have been previously reported.

Headings

- **AML/ CTF:** KYC routines and processes, PEP, Financial sanctions.
- **Customer protection:** Banking secrecy, fund management information, documentation of investment advice.
- **Internal governance:** Management of top level executives agreements with the Bank, internal control structure for outsourced services.

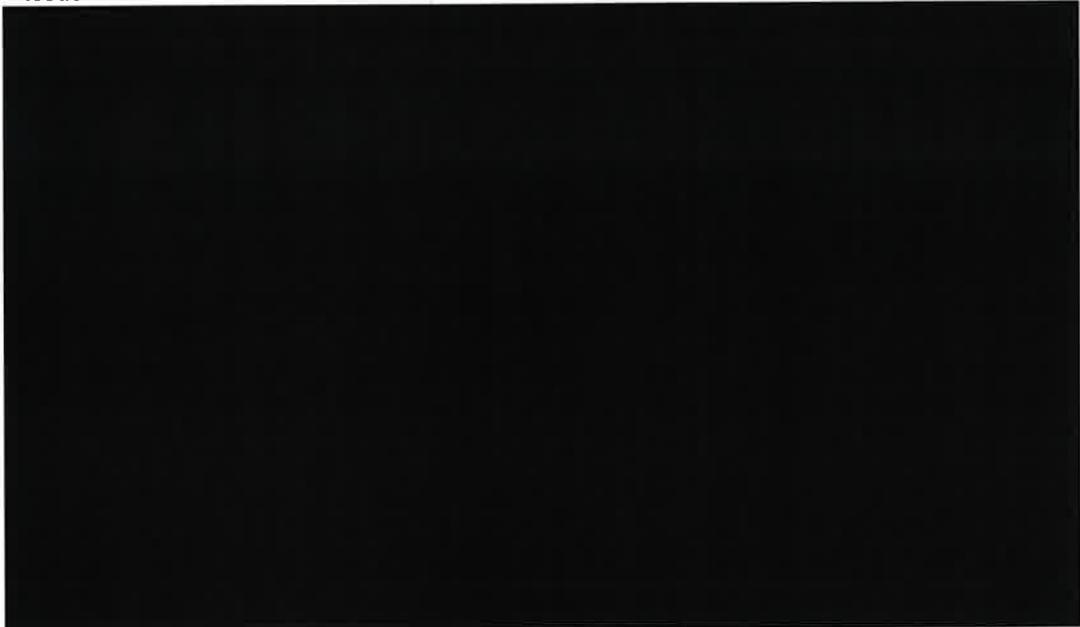
2.1 AML/ CTF

2.1.1 Insufficient KYC routines and processes

BA/ GP/ GF
Swedish Banking

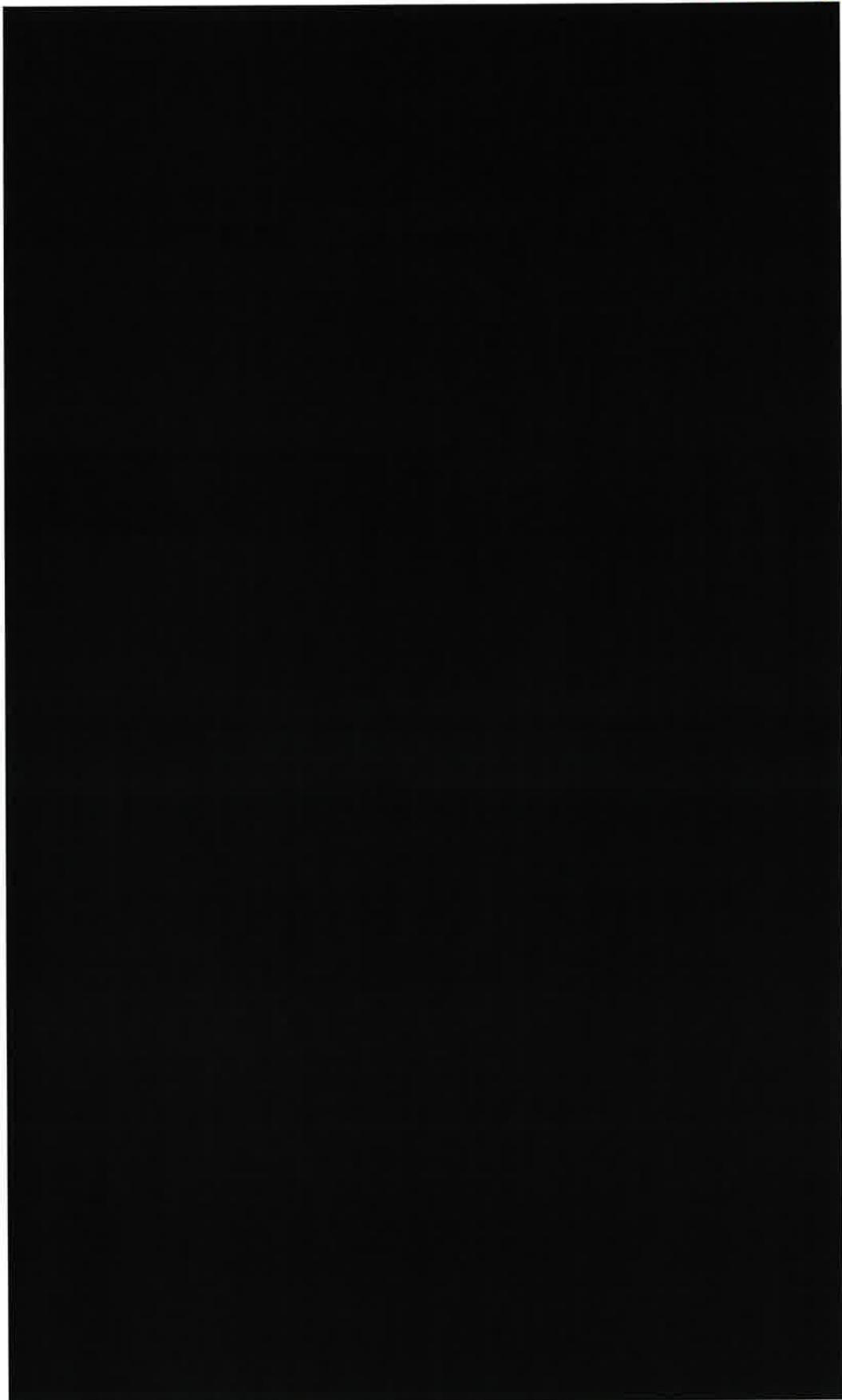
Reported
Q1 2014

Issue



Actions



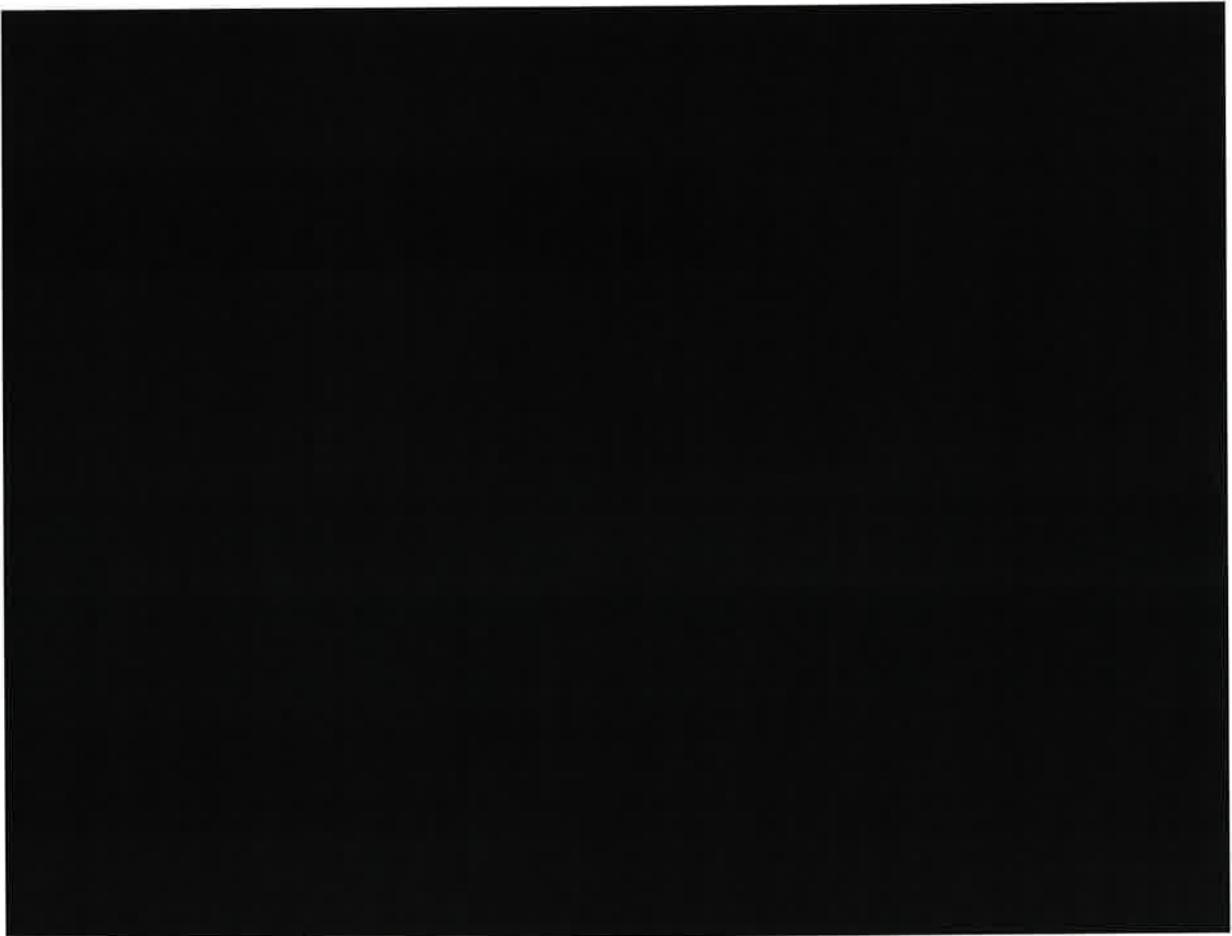




Compliance support



2.2 Internal governance



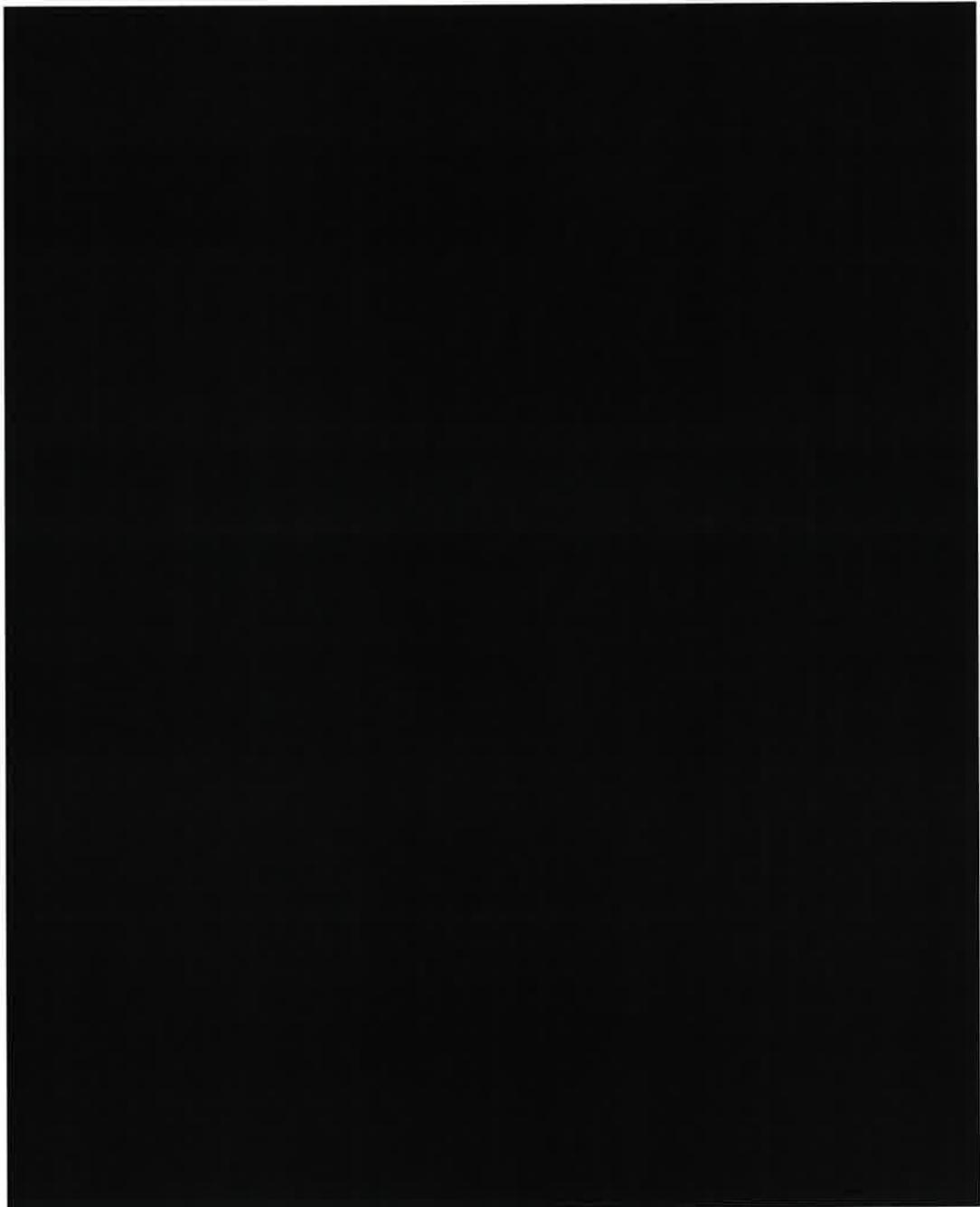


3. Other compliance matters

Headings

- Compliance - general
- Staff situation
- Other matters

3.1 Compliance - general



[REDACTED]

3.2 Staff situation

[REDACTED]

3.3 Other matters

[REDACTED]

4. Appendices

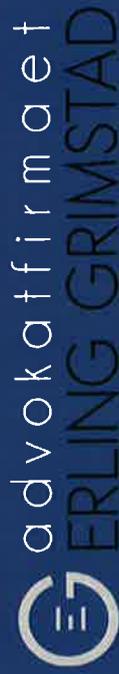


- Follow-up on customers with offshore structures etc. (Appendix 1)
- Regulatory Watch report (Appendix 2)
- AML Program (Appendix 3), *optional reading*
- Regulatory contacts, (Appendix 4), *optional reading*

AML investigation

Project CLEAR

Confidential presentation for Swedbank
Date: 30/3/2017



Client Attorney privileged information for Swedbank AB only

Major findings

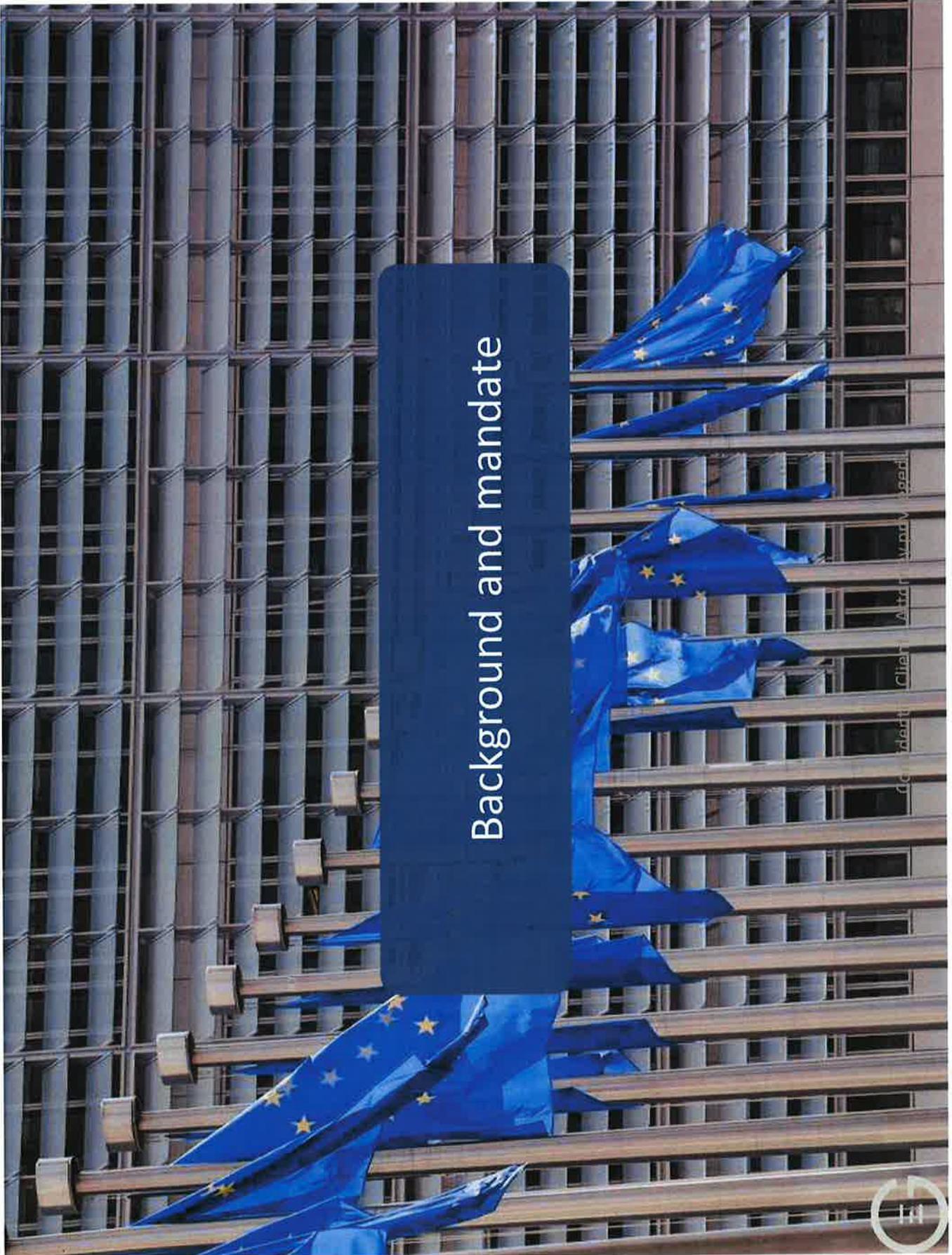
1. High risk of wide spread money laundering
2. Significant risk of Swedbank involvement in other criminal activity as the bank has no control of money flow in and out of accounts
3. Major breaches of AML regulations

HIGHLIGHTS

- Focus group clients are likely to have used Swedbank for criminal activities
- High risk for profit of criminal origin being laundered in the ongoing off-boarding process
- Major breaches of AML regulations and generally weak control environment identified since 2012
- Lack of proper AML mitigation of transactions from senior management level since 2012

CONTENT

1. Background, mandat and risk picture
2. Status
3. Major findings
4. The way forward



Background

As a result of recent findings in an internal AML investigation in Latvia, and also the Notice from Financial Conduct Authority to Deutsche Bank, dated 30 January 2017, which explicitly referred to suspicious transactions having links to Estonia, Group Compliance started an internal AML investigation on Group level concerning specific entities/clients/transactions (concerning Swedbank Estonia in particular) (referred to as the “**Investigation**”).

Ref: Memo from H. Meigas - February 10, 2017

Scope and mandate

The immediate objectives of the initiated project are:

1. As regards the Focus Clients, understand the activities and assure that there are no suspicious transactions related to these Focus Clients (and if such suspicious transactions are found, report it to the FIU/Finanspolisen and the FSA). This means conducting an AML investigation to the activities of the Focus Clients
2. Take immediate and proper measures to secure any relevant information regarding the Focus Clients from Swedbank Estonia for the ongoing Investigation.
3. Take immediate measures to make sure no suspicious transactions are conducted through Swedbank systems by the Focus Clients by reviewing and accelerating the off-boarding plans already in place in Swedbank Estonia
4. Investigate any possible knowledge/involvement by Swedbank Estonia employees

In addition, extra focus will be put to Estonia within the framework of the process which has been initiated by the Chief Compliance Officer with an objective to review the existing AML and KYC procedures.

Project set up

1. Secure information and take measures to off-board the Focus Clients

Responsible: Håkan Bengtsson, operational responsible Robert Kitt, Riho Roopold

2. AML investigation into the Focus Clients

Responsible: Håkan Bengtsson, operational responsible Sven Kivvistik, Andreas Hobbelin

3. Investigation of any possible wrongdoing by Swedbank Estonia employees Responsible Håkan Bengtsson, operational responsible Sven Kivvistik (and possibly an external investigation firm)

4. Legal analysis of reporting responsibilities related to the findings from the Investigation

Responsible: Åsa Andersson in close cooperation with Cecilia Hernqvist

5. Heightened monitoring and reporting on cyber risk towards Estonia

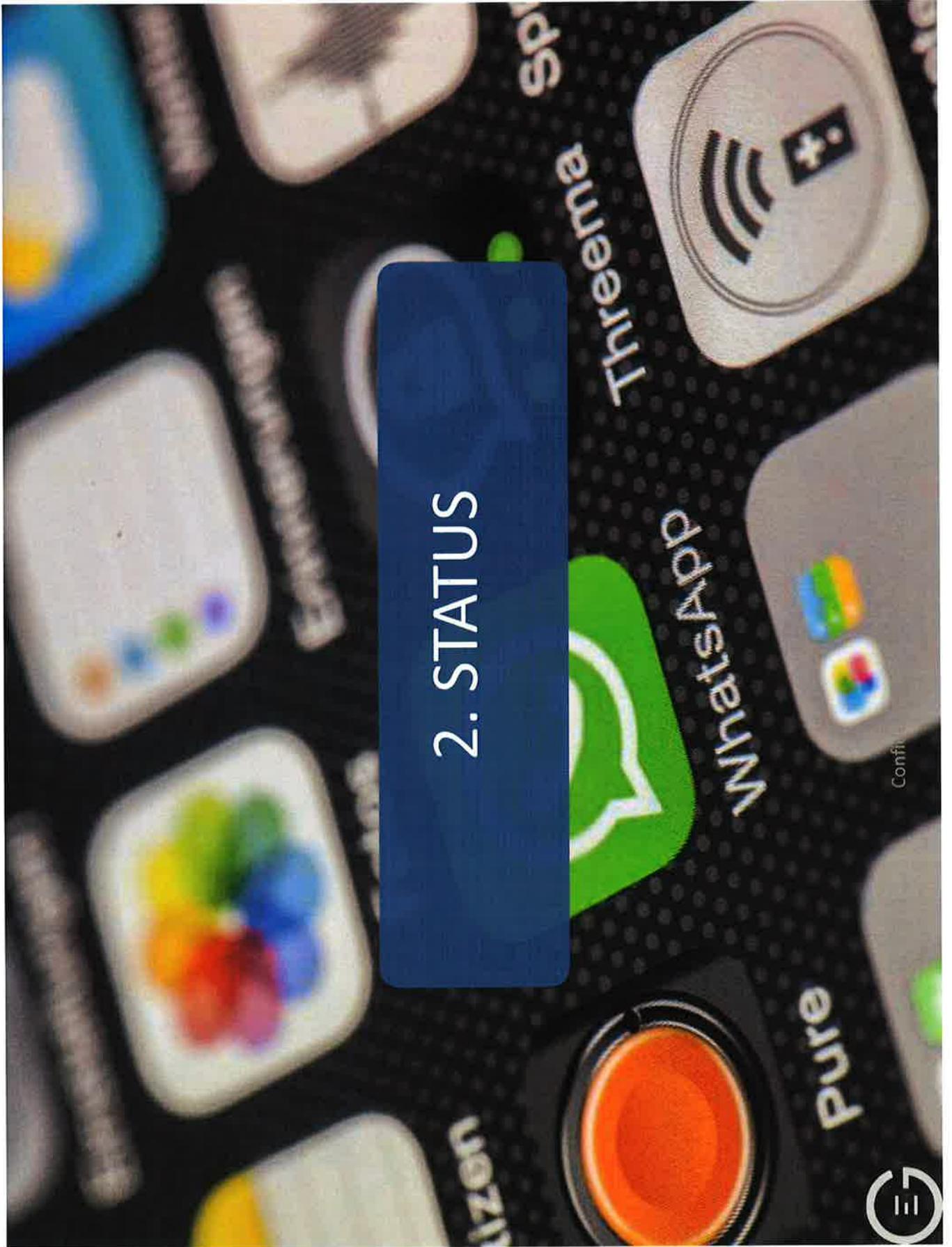
Responsible: Jan Fecko

Overall risk picture

- The overall risk picture from the beginning of the AML investigation:
- Swedbank or Swedbank employees participating in ML and possibly other criminal activities
 - Non-compliance with AML legislations
 - Non-compliance with sanctions regulations

Findings of significant risk of Swedbank involvement in criminal activity

- Given that the Bank:
 - Does not know the nature of the real ownership of the Focus group clients
 - Has performed little or no testing of adverse information of presumed UOBs and related persons and entities
 - Does not understand the rationale behind the clients transactions
 - Does not know the real sources of income on the relevant accounts or the rationale for onward payment
 - Does not monitor transfers of funds
 - Has not performed any review related to the very extensive use of offshore accounts / entities and trusts
- The risk of involvement in other criminal activities, eg kickbacks and bribes, is deemed to be significant



2. STATUS

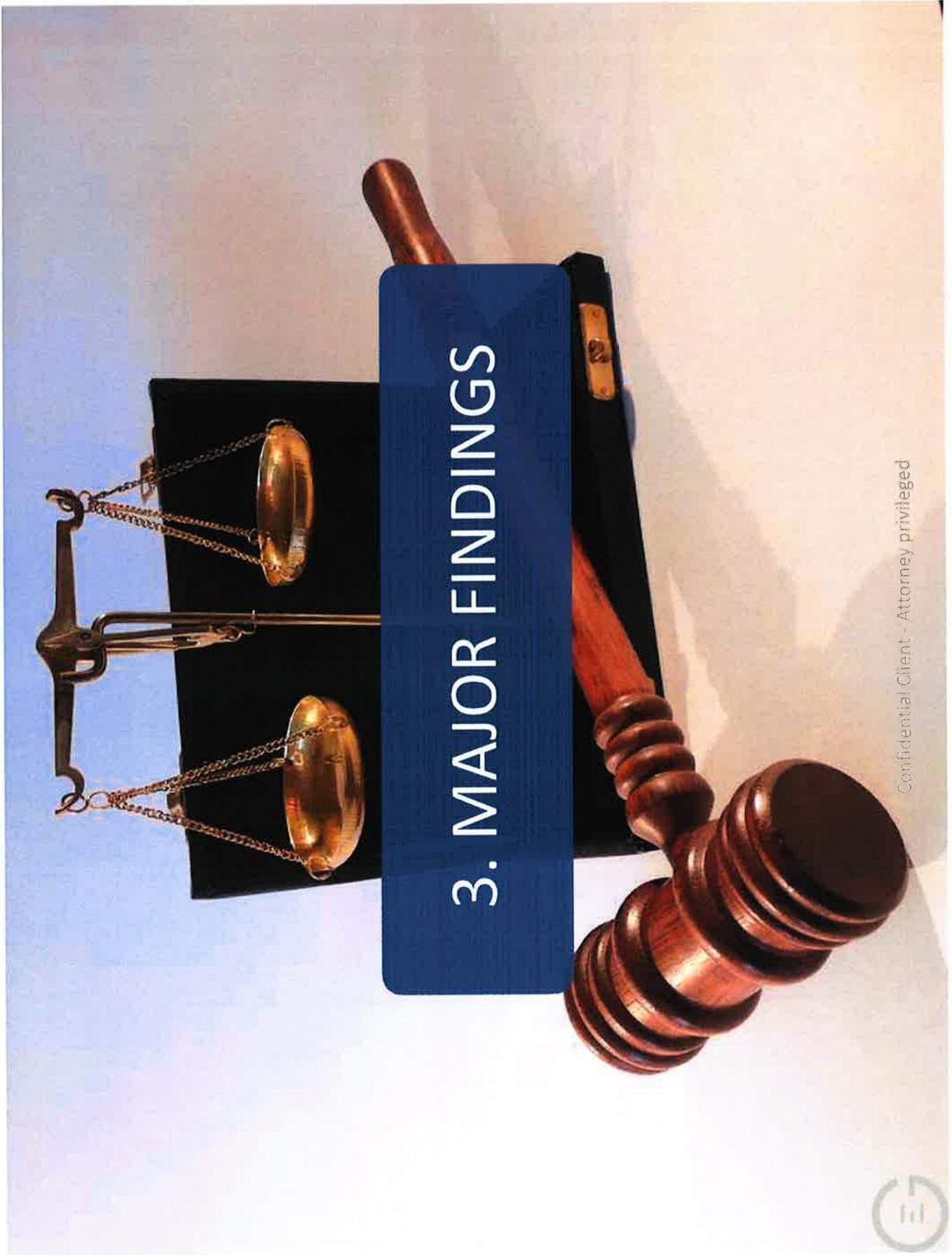
Main activities (1)

Major activities done by Advokatfirmaet Erling Grimstad AS to this date:

- Information given to Authorities (FIU and FSA)
- Preliminary risk assessment
- Decision memo
- Legal opinion – Sanctions memos
- Review of KYC documentation from Client Management system in Swedbank Estonia
- Preliminary meetings/interviews with Swedbank employees in Estonia
- Background checks (HK and Switzerland)
- Analysis

Main activities (2)

- Deliveries described in “Status” above
- Review of substantial amount of written material as per request list and other material submitted by Swedbank
- In addition to running discussions with relevant Swedbank personnel, more structured interviews with Preet P, Heiki R, Gunnar T, Anneli A, Rihu R, Henri V, Vaiko T, Sirli S
- Extensive research in open source and various databases, legal assessments, internal memos and notes
- IDDs
- Internal discussions and workshops, instructions, follow-up and feedback in working group (team)
- Advice on regulatory and other issues pertaining to the reviews undertaken
- Feedback and update to Swedbank
- Draft report



3. MAJOR FINDINGS



Confidential Client - Attorney privileged

Major findings

- High risk of wide spread money laundering
- Significant risk of Swedbank involvement in other criminal activity
- Non-compliance with AML regulations

High risk of money laundering

- Based on preliminary observations, such as:
 - Lack of credible KYC documentation in CME
 - Lack of proper documentation for transactions
 - Lack of commercial rationale for transactions
 - Express knowledge that ownership information entered in CME is not genuine
 - Lack of understanding of sources of income
 - No real testing of questionable transactions or client relationships
 - Misleading KYC information in Credit Memos
- Generally low understanding of ML risks by local management (real or perceived)

Significant risk of Swedbank involvement in other criminal activity

- Given that the Bank:
 - Does not know the nature of the real ownership of the Focus group clients
 - Has performed little or no testing of adverse information of presumed UOBs and related persons and entities
 - Does not understand the rationale behind the clients transactions
 - Does not know the real sources of income on the relevant accounts or the rationale for onward payment
 - Has not performed any review related to the very extensive use of offshore accounts / entities and trusts
- The risk of involvement in other criminal activities, eg kick-backs and bribes, must be deemed significant

Non-compliance with AML regulations

- Initial observations:
 - Unclear (real or perceived) organizational structure and responsibilities, particularly between operations and local compliance
 - Low understanding of expectations and relevant legislation, particularly with respect to risk based AML
 - Lack of risk matrix and risk description in AML policy and governing and other documents
 - Unclear (real or perceived) how local Compliance interacts with wider Swedbank compliance organization



Loan agreements with [REDACTED] (lender) being one of the [REDACTED] companies, signed two months apart in 2011, with respectively 8% and 0,2% interest rate

Confidential Client - Attorney privileged

Confidential Client - Attorney privileged

Transactions with

([REDACTED])



Confidential Client - Attorney privileged

[REDACTED] ([REDACTED] Transport) loan to [REDACTED] ([REDACTED] Transport). Both companies have the exact same BVI address.

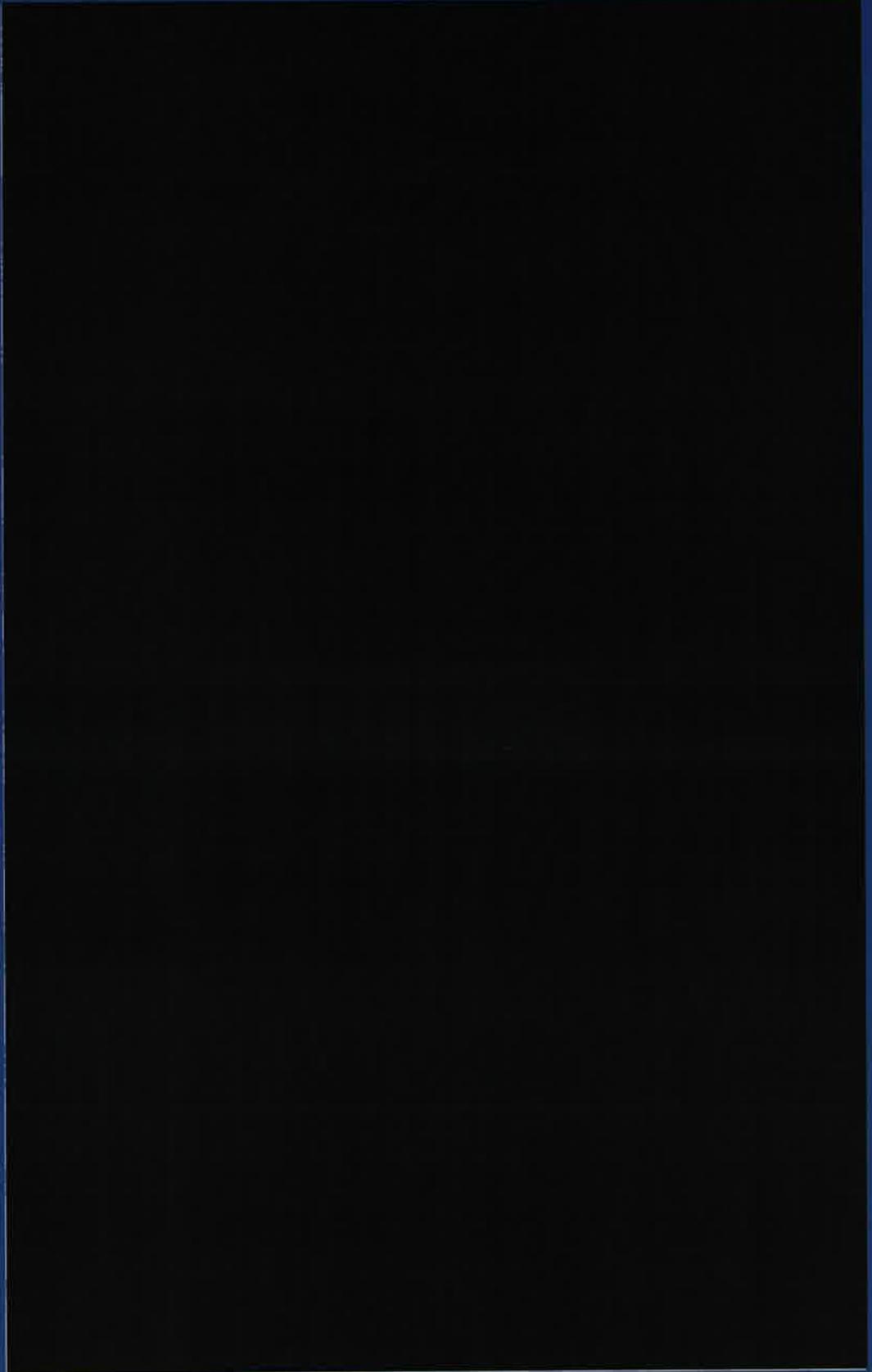
[REDACTED] (wallet company in Focus Group) provide loan to [REDACTED] (another wallet company in the Focus Group). There is a loan agreement between [REDACTED] (lender) and [REDACTED] (borrower) supporting the movement of funds on bank accounts. The total sum of the three identified transactions from [REDACTED] (marked with the contract name) is 18.2 mUSD. According to the contract, the loan amount is mUSD 30, indicating that the loan agreement could be fictitious.

1. SUBJECT OF AGREEMENT

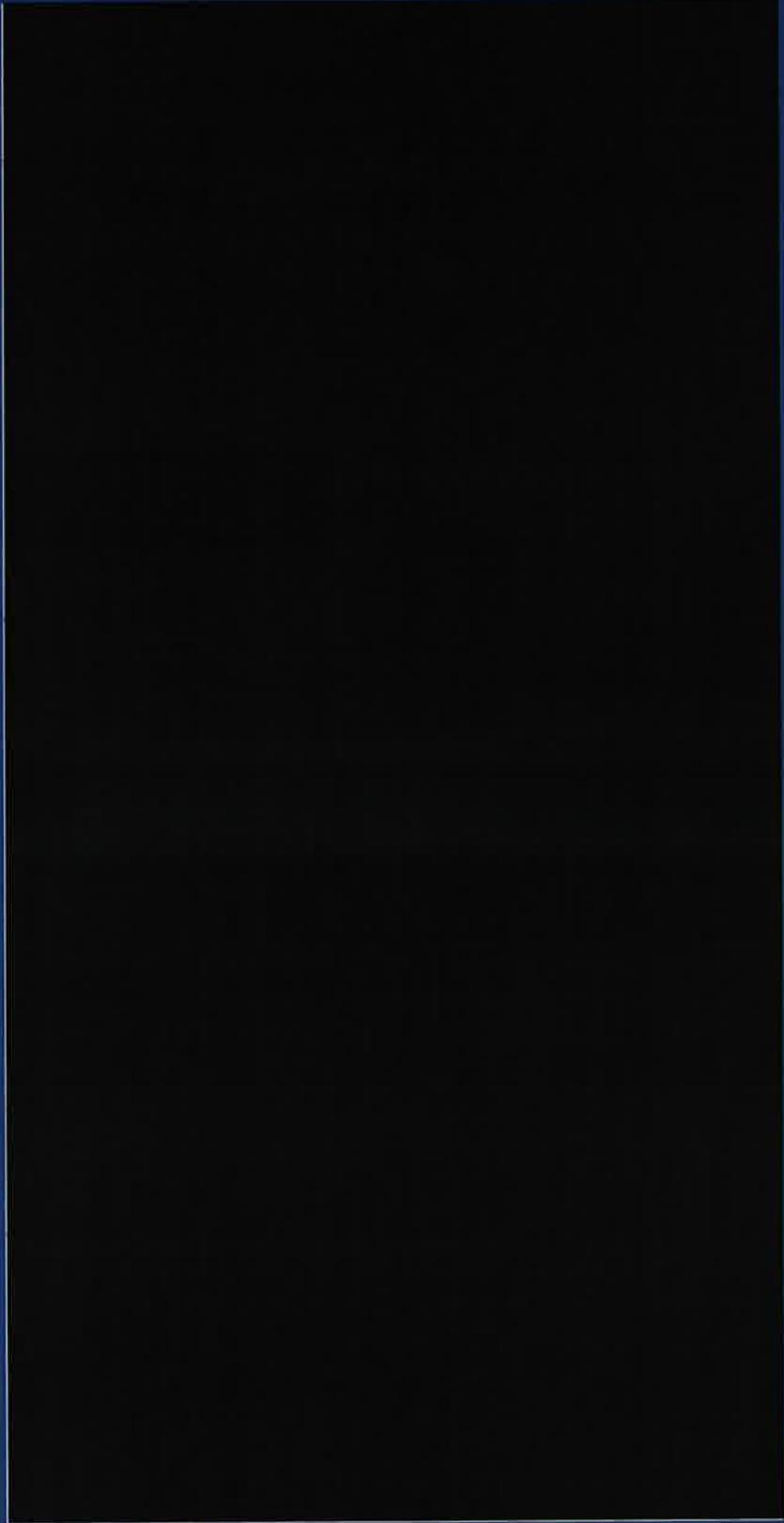
- 1.1. Under the present Agreement, the Lender has agreed to grant to Borrower the loan in amount of **30 000 000 (Thirty million) USA dollars**.
- 1.2. The Lender issues the loan to the Borrower **till 15 September 2025**.
- 1.3. The Parties to the present Agreement have agreed that the sum of the loan is to be transferred in one tranche.
- 1.4. The Lender provides the loan amount by transferring money to the Borrower's account specified in item 9 of the present Agreement.



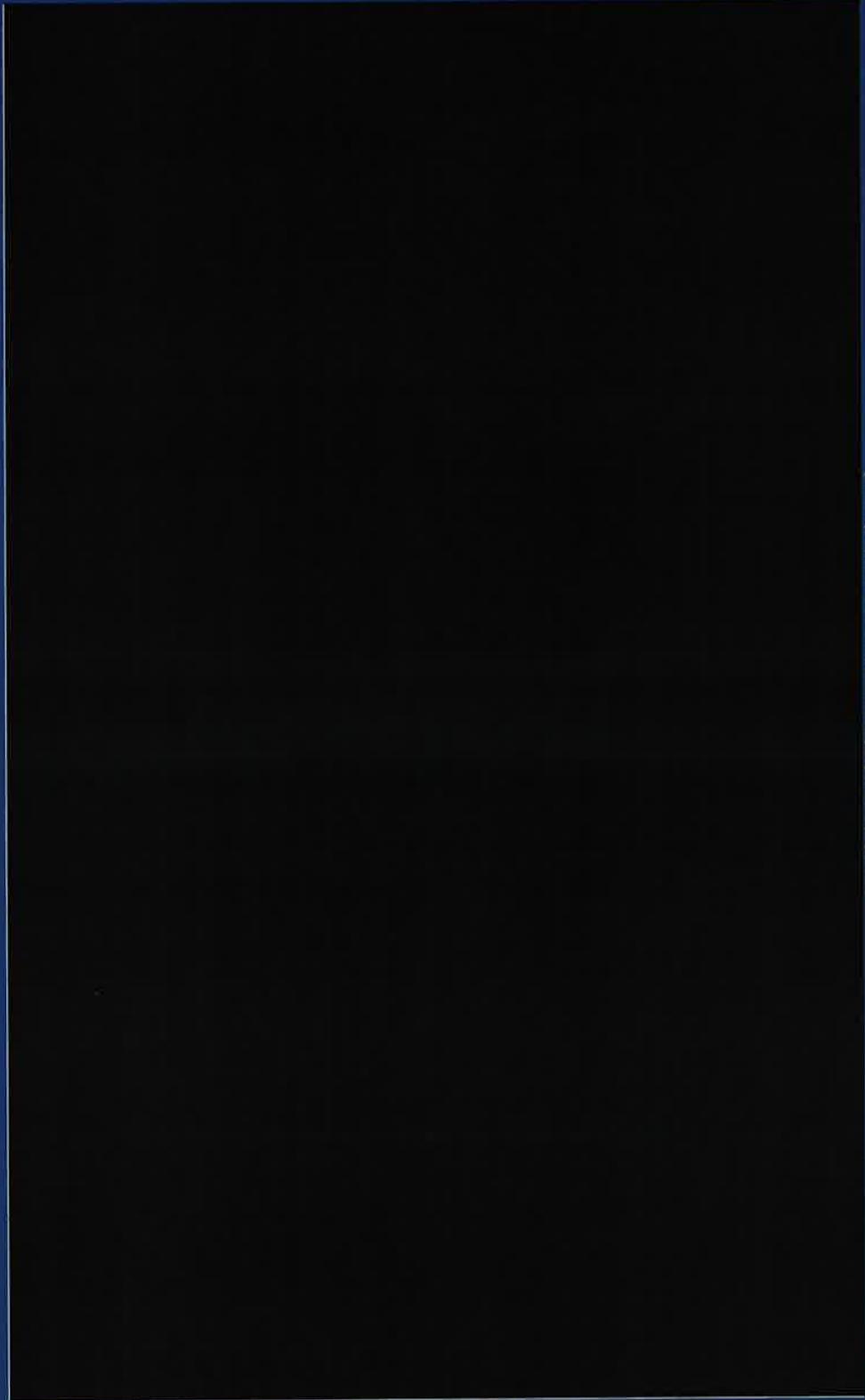
Ingoing payments from [REDACTED] ([REDACTED]) to wallet company in Focus Group



Examples of “bulldozer contracts” bought by one of the wallet companies in the Focus Group of clients



We have found these different email addresses used by [REDACTED] companies



Confidential Client - Attorney privileged

4. THE WAY FORWARD

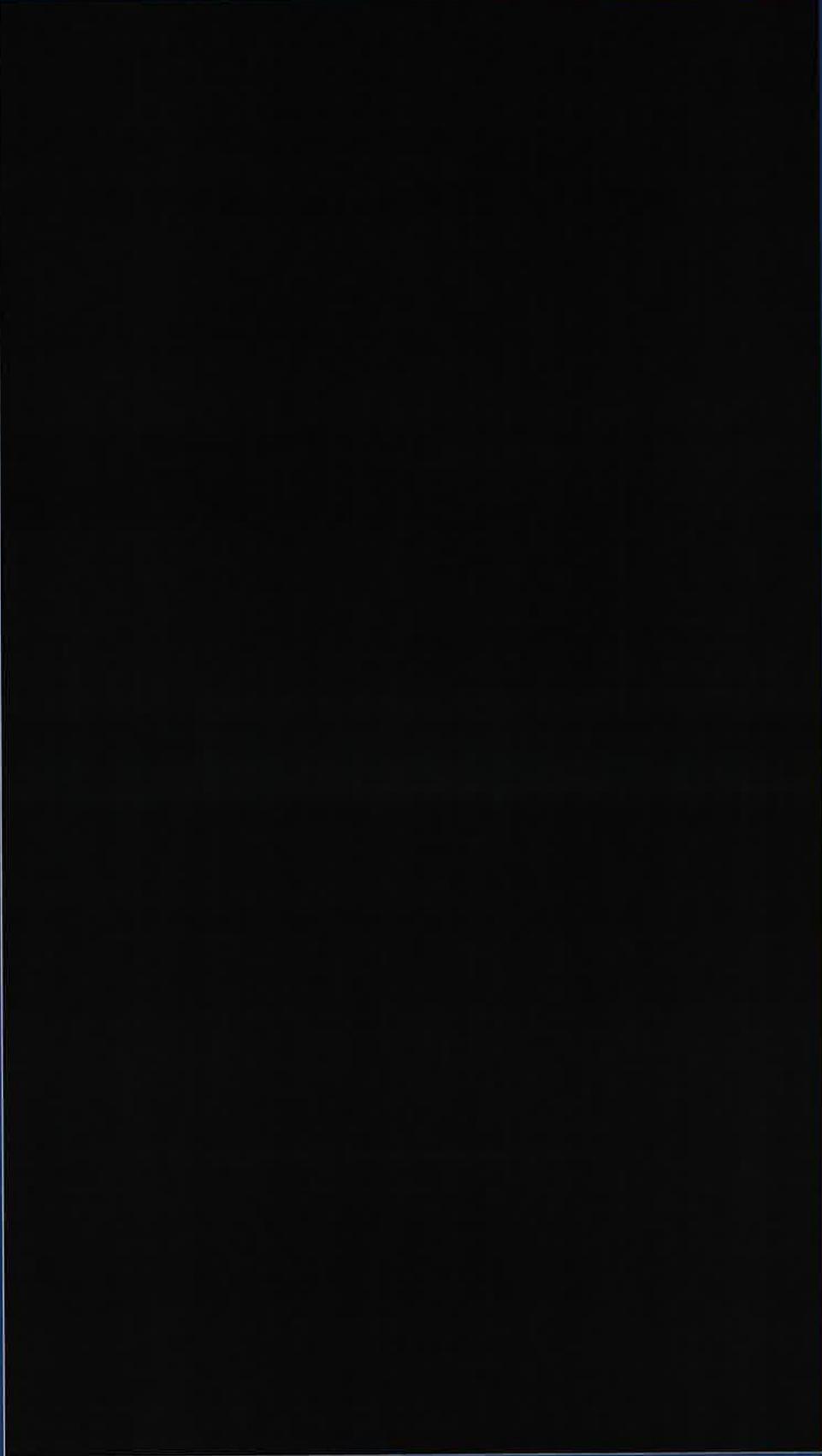
Confidential Client - Attorney privileged

Alternative approaches



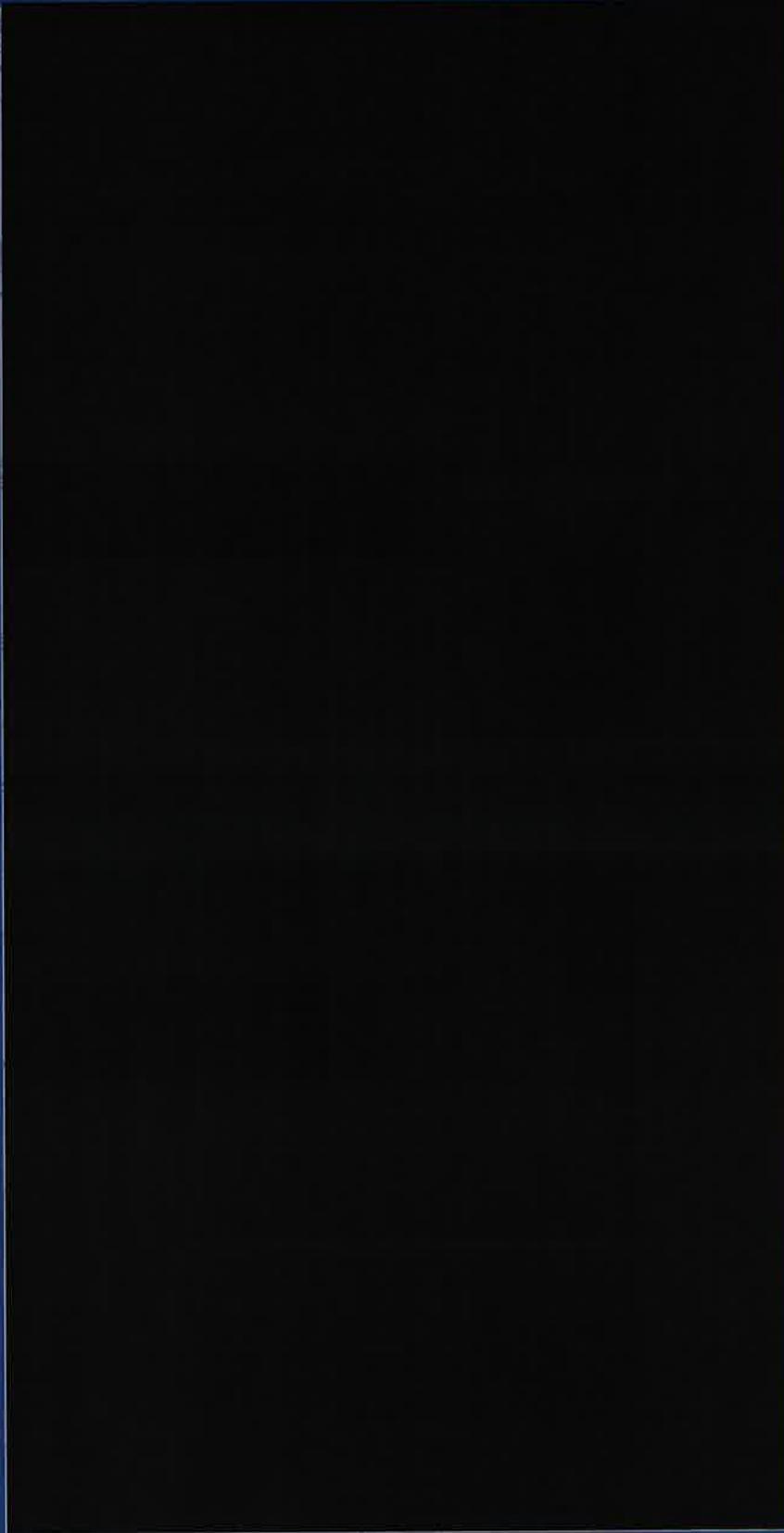
Confidential Client - Attorney privileged

Proposed next steps – Phase 2 (1)



Confidential Client - Attorney privileged

Proposed activities - Phase 2 (2)



Confidential Client - Attorney privileged

Budget



Confidential Client - Attorney privileged



Phone: +47 997 97 542 • email: eg@governance.no
www.governance.no

DRAFT MEMO

Prepared for
Swedbank AB

9 June 2017

ADDITIONAL OBSERVATIONS FROM AML INVESTIGATION – SWEDBANK ESTONIA

Disclaimer

This memo for Swedbank AB is made by Erling Grimstad, a Norwegian lawyer practicing from Advokatfirmaet Erling Grimstad AS (Norway) and member of the Norwegian Bar Association. The ability to engage in any activities on behalf of a client outside Norway is subject to statutes and professional codes and court rules. Any legal advice or opinion rendered on laws or regulations outside Norway, should be consider not necessarily to be within my expertise. You should seek appropriate counsel for specific legal advice outside Norway, to understand your position and obligations in accordance with the national law. This report is strictly confidential and contain attorney – client privileged information solely prepared for Swedbank AB.

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3.1. <i>Use of proxies including the network of [REDACTED]</i>	4
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3.3. <i>[REDACTED] a and [REDACTED]</i>	7
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3.5. <i>Individuals and companies involved in the sale or transportation of weapons and arms.....</i>	9
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1. Swedbank Estonia – preliminary findings of high risk transactions and clients

The purpose of this memo is to give Swedbank (the “Bank”) additional information pertaining to findings of certain high risk transactions and high risk clients, including other than the Focus Clients. Our intention is also to make the management aware of the potential risks involved and advise on how to mitigate those risks.

During the AML investigation we found information of the Bank’s possible involvement in publically known criminal investigations and proceedings. The Bank should be aware of indications of possible criminal activities and certain high risk clients. While some of the transactions go years back in time, they might still lead to risk for the Bank today: Media attention, inquiries from corresponding banks and from employees as well as from individuals and entities claiming compensation. There is an inherent risk of the Bank, directly or indirectly, being subjected to criminal investigations related to the Bank’s role in providing and facilitating services for certain high risk clients. Given the nature of the transactions and persons in question, there is also a considerable ongoing reputational risk for the Bank.

This memo is in no way exhaustive. The memo is made on the request of the recipients. Further investigation into the matters described in this memo might reveal additional information confirming or rejecting any risks for the Bank.

The indications of potential money laundering related to the Focus Clients will be described in the final AML Report in June 2017.

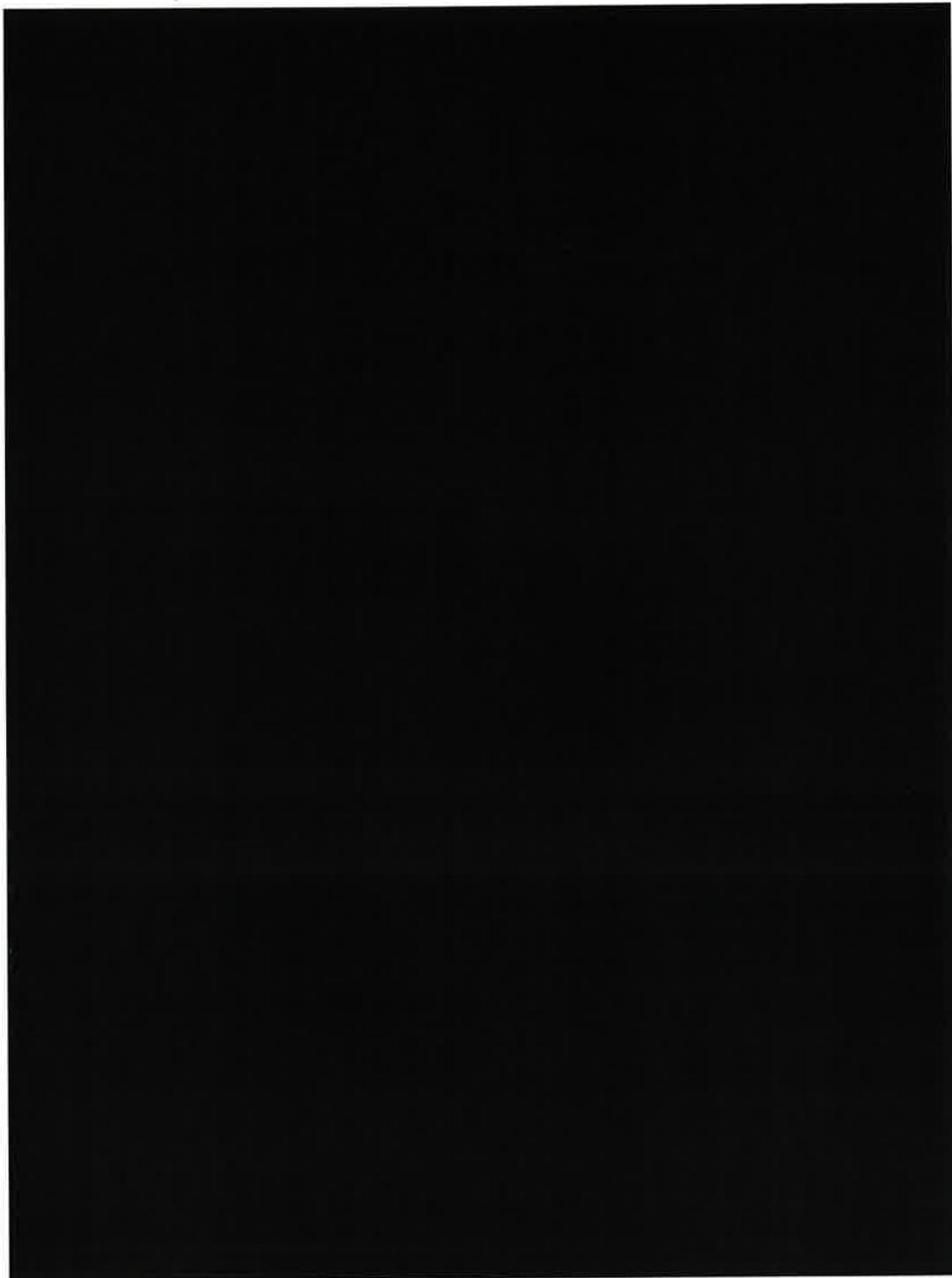
We also identified requests for the transfers of substantial amounts in USD and EUR from Focus Client without proper justification of the origin of funds or nature of business. We also found some cases referred to as “overnight deposits”. These examples will be described in the final AML Report.

It is important to point out that we did not look to identify links to the below cases at the offset of our investigation, and that we had no prior information of those cases beyond publicly available information. However, based on information that transpired during our investigation of the Focus Clients we identified indications of potential connections to the matters described below. Further inquiries into those matters are made based on open sources and searches, as well as publicly available databases.

2. Reputational and legal risks for Swedbank in the cases presented in this memo

Most of the cases presented in this memo represent serious reputational risk for the Bank if the information become publicly known. Several of the cases presented may potentially lead to criminal investigation of the Bank and/or employees. Enhanced investigation into the links and information found, may reveal more enhanced description of the real risks for the Bank.

One of the most surprising findings to us has been the volume of entities and individuals accepted as clients by Swedbank Estonia without any adequate identification of the real



[Redacted text block]

3.2 Hermitage Capital Management – the “Magnitsky case”

[Redacted text block]

[Large redacted text block]

Recommendation No 2;

[Redacted text block]

3.3 [Redacted text block]

[Redacted text block]

[Redacted text block]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Recommendation No 3:

[Redacted text block]

3.4 The Deutsche Bank Case

[Redacted text block]

Recommendation No 4:

[Redacted text block]

3.5 Individuals and companies involved in the sale or transportation of weapons and arms

[Redacted text block]

[Redacted text block]

[REDACTED]

[REDACTED] //19

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[Redacted text block]

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Recommendation No 5:

[Redacted text block]

3.6 Transactions with Ukrainian counterparties

[Redacted text block]

[Redacted text block]

Recommendation No 6:

[Redacted text block]

[Redacted text block]

3.7 The company [REDACTED] and illegal oiltrade

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Recommendation No 7:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

3.8 The sale of [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

Recommendation No 8:

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3.9 The Moldova "Russian Laundromat" case

[Redacted text block]

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Recommendation No 9:

[Redacted text block]

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Rapport

Signerat av

Myndighet

Ekobrottsmyndigheten 2017-06-28 Observations Swedbank Estonia Management

Signerat datum

Enhet

Stockholm FMK

Diarienumr

9000-K822-19

Orginalhandlingens förvaringsplats

Datum

2021-01-13

Tid

12:38

Involverad personal

Björn Sandman

Funktion

Uppgiftslämnare

Berättelse

2017-06-28 Observations Swedbank Estonia Management Final

Från beslag 2019-9000-BG294-1 Mejlbeslag husrannsakan Swedbank

Ligger som bilaga i e-post Erling Grimstad skickat 2019-03-13 till Håkan Bengtsson.

Av mejlslingan framgår det att den tidigare skickats den 28 juni 2017, till Jan Fecko och Johan Rosen Swedbank.

Kammeradvokaten
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Observations – Swedbank Estonia Management

28 JUNE 2017

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Disclaimers

- › *Advokatfirmaet Poul Schmidth is a law firm organized under the laws of Denmark, and does only render opinions on Danish or EU law. This report is not intended to render any express legal advice whatsoever, but, to the extent is deemed to do so, merely opines on relevant EU law pertaining to the subject matter of the report (namely the EU III anti-money laundering directive 2005/60 as implemented in the Money Laundering and Terrorist Financing Prevention Act of Estonia, dated 19 December 2007)*
- › *Please note that, as an assessment of the AML compliance framework for Swedbank Estonia (or Swedbank as such) has not been part of our scope of work, the following is based on our observations while conducting the AML investigation*

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Introduction

- › Swedbank's obligation in relation to Estonian (and other EU) law is an obligation to put in place adequate measures and procedures to prevent the bank from being used for purposes of money laundering or terrorist financing
- › **In assessing the management's handling of the AML obligations, focus should be on the management's ability or failing in fulfilling this core obligation as *management*, and not necessarily concrete acts or omissions by individual members of the management team**
- › **In the following we will outline:**
 - › A. Key management AML obligations under Estonian law
 - › **B. Assessment of the management's satisfaction of these obligations**
 - › C. Findings relevant to certain members of the Swedbank Estonia team

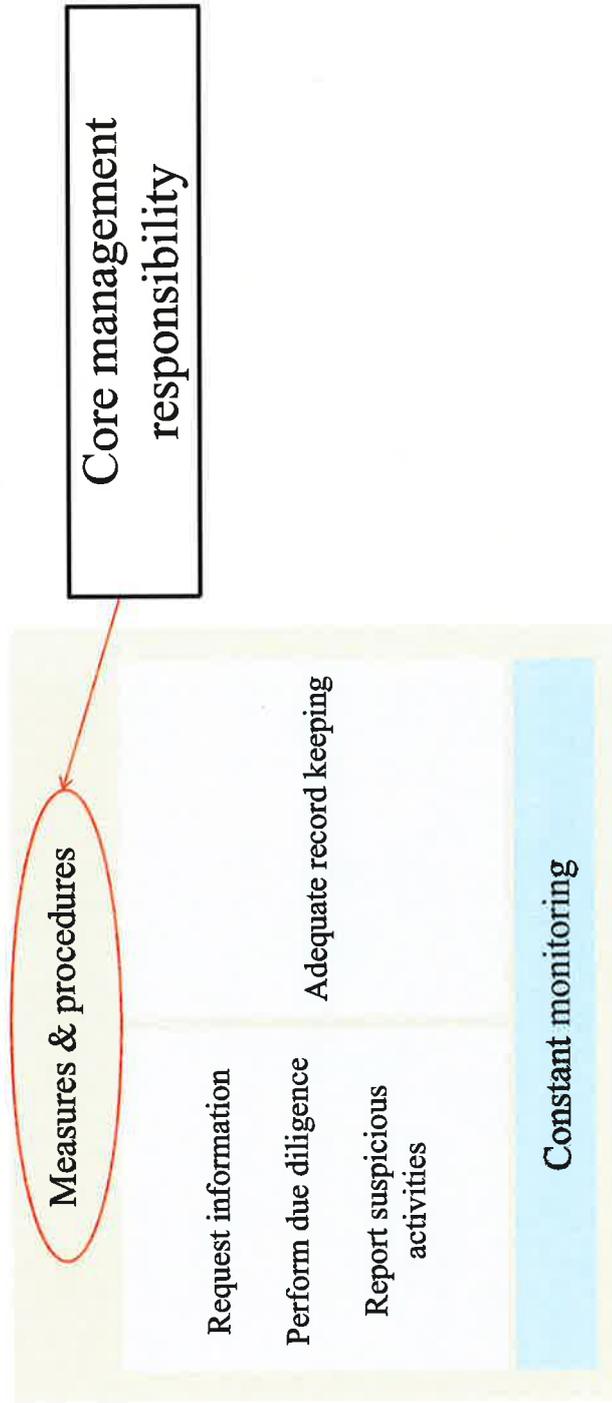
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A - Key management AML obligations



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Due diligence

> Requirements

- > Identification of customer or person participating in the transaction based on information from a "reliable and independent source", 13,1,1
- > "Identification of beneficial owner" as well as "ownership and control structure", 13, 1, 3
- > Obtain purpose and nature of the business relationship and transaction", 13, 1, 4
- > Constant monitoring, 13, 1, 5

> Observations

- > Identification documents comes from a variety of sources, without further testing. Little or no traces of real contest of veracity of submitted documentation
- > Beneficial owners are generally not properly identified or recorded. Documents showing control / ownership structures for most significant entities, such as [REDACTED] etc., do not an adequate picture of the underlying complexity of the whole group
- > Purpose and nature of transaction / business relationship often documented by questionable or knowingly false documentation (such as "loan agreements", "invoices" and "dividends")
- > No traces of ongoing monitoring as a distinct AML activity

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Enhanced due diligence

> Requirements

- > **Mandatory if the “nature of a situation” involves “a high risk of money laundering” as well as in certain other situations**, 19, (1) and (2)
- > **Always with PEPs** 19, (2), 3)
- > **Increased obligation to obtain information, verify authenticity as well as “the data contained therein”**, 19, (3)
- > **Obligation to perform due diligence measures “more frequently than usually”**, 19 (4)

> Observations

- > **Transactions involving high risk situations and clients would account for most of the transactions carried out by the Focus Group Clients**
- > **We have not identified a designated EDD process**
- > **Generally, veracity of neither documents nor underlying transactions are questioned**
- > **No trace of more frequent testing of the transactions related to the Focus Group Clients**

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Reporting to FIU - 32

> Requirement

- > "If...an obligated person identifies an activity or circumstances which might be an indication of money laundering or terrorist financing or an attempt thereof or in the event of which the obligated person has reason to suspect or knows that it is money laundering or terrorist financing, the obligated person shall immediately...notify the Financial Intelligence Unit thereof."

> Observations

- > No report on the Focus Group Clients was made prior to the off-boarding process.

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Refusal to transact and termination

> Requirements

- > Refuse transaction if relevant information is not submitted OR the bank has reasonable doubt that the situation may constitute money laundering. 27 (1)
- > Such circumstances would constitute a breach of contract with the bank, and the bank may cancel the contract extraordinarily (regardless), 27 (2)
- > Any agreement violating the above requirement is null and void, 27 (4)

> Observations

- > Given the nature of our findings, a very substantial number of transactions should have given rise to reasonable doubt as set out in 27 based on the lack of information of ultimate beneficial owners, source of funds and business rationale
- > From the period from 2016, we have not observed any stopped transactions, but additional documentation has frequently been requested
- > While transactions have been retroactively brought to the attention of the High-Risk Non-Resident Committee, very few (none?) transactions have eventually been stopped / reversed due to lack of documentation or doubt about money laundering

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“Internal security measures” - 29 - Requirements

- › The bank shall establish written rules of procedures
 - › Due diligence
 - › Risk assessment and risk management
 - › Collection and keeping of records
 - › Reporting and notification procedures
 - › System monitoring and review
- › The procedures shall
 - › “...correspond to the type, scope and complexity of the economic or professional activities of the obligated person and regulate the taking of due diligence measures at least in the events specified in subsection 13(1)” and be regularly reviewed and updated to reflect changed circumstances “where necessary” 30 (1) and (2)
- › Further requirements as to the rules of procedure include:
 - › Description of risk levels and how to handle different risk categories
 - › Description on how to identify various risks and carry out due diligence
 - › An obligation to educate all staff facing clients or transactions
- › The obligation to take “security measures” rests on both the bank and “the manager of an obligated person”
 - › The obligation must also be understood to include the necessary infrastructure, such as training, adequate IT-systems and other support

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“Internal security measures” - 29 - Observations

- › The bank has not adopted procedures to adequately reflect the specific risk profile of the business carried out by Swedbank Estonia
- › The compliance organization is not adequately staffed or trained
- › There are no real signs of any risk based approach in the AML processes. The process appears to be driven by a documentation approach rather than a critical AML analysis of the nature of the transactions
 - › The Know-Your-Customer (KYC) documentation reviewed is generally insufficient to identify source of funds and commercial rationale behind transactions.
 - › There is a lack of knowledge and documentation of the ultimate beneficial owners (UBO's) and control structures of the entities.
- › The bank has, to a large extent, relied on fictitious documentation, or documentation that does not reflect the underlying reality of the transactions carried out by the bank
- › There are findings indicating lack of transparent and adequate responses to suspicious transactions
- › Generally, there appears to be little or no ongoing monitoring of transactions beyond retroactive review
- › The management of Swedbank Estonia appears not to have adequately understood the nature of business of its clients and / or purpose of transactions carried out by the bank

The UOBs of the Focus Group Clients are still not sufficiently known and / or documented by Swedbank

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B – Assessment of collective liability

- › Senior management has not (real or perceived) adequately understood the risks associated with the Focus Group Clients
- › Senior management has not fulfilled its express obligations in key areas of responsibility related to anti-money laundering
- › Senior management has not promoted a culture of competence, transparency and trust in relation to AML obligations
- › Senior management's failure to comply has been ongoing throughout the whole period of review (2012 – 2016)

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C – Individual members

- › The following slides contain findings relevant to certain individual members of management and their affiliation with the Focus Group Clients
- › The individuals are [REDACTED] and [REDACTED]
- › Please note that two of the individuals, [REDACTED] and [REDACTED] are not custodians to our data set, ie their emails etc are not included in the captured data set we have analyzed. This will substantially impair the completeness of the findings presented here
- › The findings supports our view that, while we have not found any one criminal act purported by any one member of the management of the bank, but rather that the management has collectively, and to different degrees, failed to act to protect the bank and the bank's legal obligations

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Findings indicate that [REDACTED] was regularly involved in considerations and decisions regarding [REDACTED] and [REDACTED] and relevant to the Bank's AML and KYC handling of the client relationship. Events of interest include:

- > Generally, [REDACTED] has been involved in the on-boarding of several of the [REDACTED] entities well as client meetings etc with these clients.
- > Feb. 2012: [REDACTED] and [REDACTED] meet [REDACTED] from [REDACTED] (ex-[REDACTED]) in Moscow. [REDACTED] was not present in the meeting.
- > 2 Apr. 2012: E-mail correspondence between [REDACTED] and [REDACTED] regarding a transfer of several millions of dollars for [REDACTED]. The explanation is that it serves the purpose of managing risk, but [REDACTED] does not think this is the only reason for moving the 40 million.
- > Aug. 2012: [REDACTED] informs [REDACTED] that Swedbank has blocked their transactions due to volume exceeding limits. [REDACTED] is not pleased, and the correspondence is forwarded to [REDACTED].
- > 15 Aug. 2012: Meeting in [REDACTED] office regarding [REDACTED] transactions being blocked by the bank.
- > Apr. 2013: Correspondance between [REDACTED] and the former CEO of Swedbank Latvia regarding the introduction of [REDACTED] to another client. This business opportunity fell through due to lack of interest from [REDACTED].
- > 2 Jun. 2015: [REDACTED] copied on thank-you-note regarding non-residential business account opened in less than 24h by [REDACTED].

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[REDACTED]

- > 30 Jun. 2015: [REDACTED] and [REDACTED] receive mail from [REDACTED] that [REDACTED] was not interested in meeting Latvian connection [REDACTED] as there was no valid client relationship with Swedbank Latvia. [REDACTED] comments that he has run out of ideas.
- > 3 Jul. 2015: [REDACTED] exchanges e-mails with [REDACTED] from [REDACTED] regarding meeting in Nice/St. Tropez. The meeting was attended by [REDACTED] and [REDACTED].
- > 8 Jul. 2015: [REDACTED] and [REDACTED] exchange e-mails regarding materials related to meeting with [REDACTED] and [REDACTED] Helicopter vouchers are included.
- > 8 Jul. 2015: Meeting 10-11 Jul. 2015 with [REDACTED] and [REDACTED] details regarding pick-ups from airport found in correspondence.
- > 9- [REDACTED] actually took place 10 Jul. 2015 in St Tropez / Nice (memo from March 2016).
- > 29 Jan. 2016: [REDACTED] writes to [REDACTED] following GEC-meeting that he understood that [REDACTED] is "borderline", but has been "checked but is OK". He refers to [REDACTED] an escalation of the decision within Swedbank.

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— (I/II)

Findings indicate that [REDACTED] was actively involved in decisions regarding [REDACTED] and [REDACTED] relevant to the Bank's AML and KYC handling of the client relationship. Events of interest include:

- > 2 Apr. 2012: E-mail correspondence between [REDACTED] and [REDACTED] regarding transfer of several millions of dollars for [REDACTED]. The explanation is that it serves the purpose of managing risk, but [REDACTED] does not think this is the only reason for moving 40 million USD.
- > 29 Jul. 2013: [REDACTED] asks [REDACTED] to draft an e-mail (template provided by [REDACTED] and [REDACTED] see doc.no. 01453977) which is to be included as a support note for a committee meeting regarding [REDACTED] complies and sends it to [REDACTED] and copies [REDACTED] and [REDACTED].
- > 2 Jun. 2015: Copied on thank-you-note regarding non-residential business account having been opened in less than 24h by [REDACTED].
- > 30 Jun. 2015: [REDACTED] and [REDACTED] receive mail from [REDACTED] that [REDACTED] was not interested in meeting Latvian connection [REDACTED] as there was no valid client relationship with Swedbank Latvia. [REDACTED] comments that he has run out of ideas.

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[REDACTED] — (II/II)

- > 3 Jul. 2015: [REDACTED] exchanges e-mails with [REDACTED] from [REDACTED] (with [REDACTED] in copy) regarding meeting in Nice / St. Tropez. The meeting was attended by [REDACTED] and [REDACTED] also attended the meetings.
- > 8 Jul. 2015: [REDACTED] and [REDACTED] exchange e-mails regarding materials related to meeting with [REDACTED] and [REDACTED] Helicopter vouchers are included.
- > 8 Jul. 2015: Meeting 10-11 Jul. 2015 with [REDACTED] and [REDACTED] details regarding pick-ups from airport.

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Findings indicate that [REDACTED] was actively involved in decisions regarding [REDACTED] and [REDACTED] and was aware of AML and KYC relevant to the Bank's AML and KYC handling of the client relationship. Events of interest include:

- > 30 Jun. 2015: [REDACTED] informs [REDACTED] and [REDACTED] by e-mail that [REDACTED] was not interested in meeting Latvian connection [REDACTED] as there was no valid client relationship with Swedbank Latvia. [REDACTED] comments that he has run out of ideas.
- > Jul. 2015: [REDACTED] sends calendar invitation to [REDACTED] and [REDACTED] for the dates of 9 - 11. Jul. 2015 in Monaco.
- > 4 Mar. 2016: [REDACTED] writes to [REDACTED] that [REDACTED] would like to meet do discuss change in ownership due to "cultural differences" with the Uzbekistani. [REDACTED] thinks the change should be okay, but would like to have a brief discussion including [REDACTED]
- > 3 Jun. 2016: [REDACTED] (and [REDACTED] her) receives e-mail from [REDACTED] regarding questions about lack of PEP status of [REDACTED] in the Swedbank system. [REDACTED] states that such a status would make it impossible to do off-shore transactions through Deutsche Bank due to their policy of "once PEP always PEP", and [REDACTED] is not an alternative as they do not do off-shore transactions. Mail contains screen-shot from Dow Jones declaring [REDACTED] a PEP (doc.no. 1534483). [REDACTED] requests a meeting with [REDACTED] (doc.no. 1679026) the following Monday morning as he thinks they should definitely monitor their transactions. [REDACTED] agrees and informs that he has already written to [REDACTED]
- > 15 Jul. 2016: [REDACTED] asks [REDACTED] regarding need for two new accounts for [REDACTED]: "can we open without knowing all the company info – just will add those bits later (app. 1 week time). [REDACTED] responds "two [REDACTED] accounts are ok to open".

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- [REDACTED]
- > 11 Dec. 2016: [REDACTED] receives a present from [REDACTED]. This results in an e-mail exchange with [REDACTED] as he thinks he should declare it. [REDACTED] responds that if he does not know the value, he should say so on the form.
 - > 5 Jan. 2017: [REDACTED] (and [REDACTED] and [REDACTED]) receives e-mail from [REDACTED] asking what to reply to [REDACTED] who asks for confirmation that there is no further business with [REDACTED] following the off-boarding decision.
 - > 20 Feb. 2017: [REDACTED] has asked for contact information regarding [REDACTED] and [REDACTED] and [REDACTED] responds that they do not have an e-mail address for Inochkin, but [REDACTED] has his phone number.
 - > 31 Mar. 2017: [REDACTED] receives a complaint letter from [REDACTED] due to transactions not being completed during the prior two weeks (doc.no. 09060784). [REDACTED] forwards the letter to [REDACTED] and [REDACTED] exchange e-mails regarding [REDACTED] meet with [REDACTED] and explain the situation.
 - > 19 Apr. 2017: [REDACTED] requests information regarding the off-boarding procedures and for scenarios in the case that money remains on some accounts by the deadline. [REDACTED] replies that [REDACTED] is actively managing the situation while [REDACTED] has fewer options. Swedbank has made suggestions, but these options may turn out to be unacceptable for the bank. Therefore they should prepare for the event that money may remain in the accounts after the expiry of the deadline, as moving it may be unacceptable.

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[REDACTED] (I/I)

- > 2 Apr. 2012: E-mail correspondence between [REDACTED] and [REDACTED] regarding transferring many million dollars for [REDACTED]. The explanation is that it serves the purpose of managing risk, but [REDACTED] does not think this is the only reason for moving 40 million USD.
- > Dec. 2012: [REDACTED] writes an e-mail to [REDACTED] in which it is stated that [REDACTED] met with [REDACTED] and [REDACTED] in Dec. 2012.

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Side 20

■■■■■ (I/II)

Findings indicate that ■■■■■ was actively involved in decisions regarding ■■■■■ and relevant to the Bank's AML and KYC handling of the client relationship procedures not being followed. Events of interest include:

- 19. Feb. 2015: ■■■■■ approves of transaction request from ■■■■■. No questions are asked and approval is immediate. Transaction involves transferring a total of 22 million EUR, of which 9.5 million stem from the sale of a luxury yacht and the origins of 12.5 million are unspecified - according to the following pattern:

■■■■■ (Swedbank) > ■■■■■ (Swedbank) > ■■■■■ (Danske).

From ■■■■■ there will be an internal transfer in Danske in order for the money to be paid out to the beneficial owners of ■■■■■.

- 3 Jun. 2016: ■■■■■ receives e-mail from ■■■■■ regarding questions being posed about lack of PEP status of ■■■■■ in the Swedbank system. ■■■■■ states that such a status would make it impossible to do off-shore transactions through Deutsche Bank due to their policy of "once PEP always PEP", and ■■■■■ is not an alternative as they do not do off-shore transactions. Mail contains screen-shot from Dow ■■■■■ declaring ■■■■■ a PEP. ■■■■■ accepts ■■■■■ request for a meeting and states that he has already written to ■■■■■.

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██████████ — (II/II)

- > 19 Dec. 2016: ██████████ (and ██████████) receives e-mail from ██████████ regarding the off-boarding process of accounts related to ██████████ ██████████ requests a physical meeting as he is out of office and is uncomfortable discussing it "distantly".
- > 15 Feb. 2017: ██████████ accepts loan proposal from ██████████ regarding Russian jewellery firm, which is part of ██████████ group.

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From: Erling Grimstad <eg@governance.no>
Sent: 2019-03-13 21:22:52 +0000
To: Håkan Bengtsson <hakan.bengtsson@swedbank.com>
Subject: FW: FW: Final Report [KA-Active.FID673373]
Attachments: Observations Swedbank Estonia ManagementFinal (12554586_1).PDF

Erling Grimstad

Advokatfirmaet Erling Grimstad AS

Gaustadalléen 21, 0349 Oslo

T: +47 997 97 542

E-mail: eg@governance.no

www.governance.no | www.personvernradgiveren.no

Opplæring i anti-hviltvasking: www.amlapp.no

Din digitale personvernradgiver (GDPR): <https://www.personvernradgiveren.no/chatbot>

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Fra: Tormod Tingstad <toti@kammeradvokaten.dk>

Dato: onsdag 28. juni 2017 11:41

Til: Jan Fecko <jan.fecko@swedbank.com>, Johan Rosen <johan.rosen@swedbank.se>

Kopi: "hakan.bengtsson@swedbank.com" <hakan.bengtsson@swedbank.com>, Andreas Hobbelin <andreas.hobbelin@swedbank.no>, Erling Grimstad <eg@governance.no>

Emne: Final Report [KA-Active.FID673373]

Dear Gents,

For the sake of good order, please find our report on the Estonian management enclosed in its final form.

Apart from tidying up a few typos, we have included the customary disclaimer regarding the application of foreign law.

I understand this part of the assignment is now brought to a close. However, please do not hesitate to call on us should you require any further assistance now or in the future.

I thank you for the good cooperation and interesting work, and wish you all a well-deserved summer break.

Yours sincerely

Tormod Tingstad
Associate Partner 

Direct +45 50 95 08 85
toti@kammeradvokaten.dk
www.kammeradvokaten.dk

Kammeradvokaten
Law Firm Poul Schmith

Message Headers:

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Memorandum Project CLEAR

Memorandum
Specification/Version: Draft
2017-07-07

1. Summary

Swedbank in Estonia (the Bank) has been downsizing its high risk non-resident (HRNR) business over the past year – a work that triggered an examination of one of its largest customer Groups – Carbo One. A Project (CLEAR) was formed to investigate for any possible AML violations and possible wrongdoings by employees during the business relationship with Carbo One – going back several years. During this investigation more affiliations were identified and the scope was extended to a virtual group of customers – the “Focus Group”.

The client relationship with the Focus Group dates back to 2002-2003, when the then head of trade finance of Hansabank – [REDACTED] – left the Bank to work full time for one of the affiliated companies, [REDACTED] AG. The Focus Group of companies is in turn controlled by Russian citizens [REDACTED] [REDACTED] [REDACTED] and [REDACTED]¹.

Up until the off boarding in 2017 of customers belonging to the Focus Group no transaction suggestive of money laundering was stopped or reported to FIU albeit the presence of e.g. questionable loan agreements and invoices with or between the companies in the Focus Group. The investigation found no evidence of any proper investigation of suspicious transactions pertaining to the Focus Group in the reviewed period from 2012 to February 2017.

The due diligence of clients belonging to Focus Group was inadequate and the Bank failed to obtain sufficient information about the clients and their business which should have led to the decision not to accept the clients. It cannot be excluded that the Focus Group may have used the Bank for money laundering purposes. Money laundering was made possible by giving the clients the opportunity to transfer large funds in different currency to bank accounts

¹ However it is not unlikely that the ultimate beneficiaries are other even more prominent Russians, most notably [REDACTED] and [REDACTED].

controlled by offshore entities, without fully understanding the real nature of business, the interests beyond transactions or properly questioning the source of funds.

The investigation identified no indications or intelligence that employees have received remuneration from the Focus Group in exchange for the facilitation of the relationship with the Bank. Nor has the investigation identified evident external ties between employees or managers and the Focus Group beyond normal business relations.

However, the management has collectively failed to act to protect the bank and to comply with the bank's legal obligations. The investigation concludes that the Senior management of the Bank has not fulfilled its express obligations in key areas of responsibility related to anti-money laundering nor has it promoted a culture of competence, transparency and trust in relation to AML obligations. The failure to comply has been ongoing throughout the whole period of review (2012 – 2016).

2. Background

2.1 De-risking the HRNR² portfolio in Swedbank Estonia

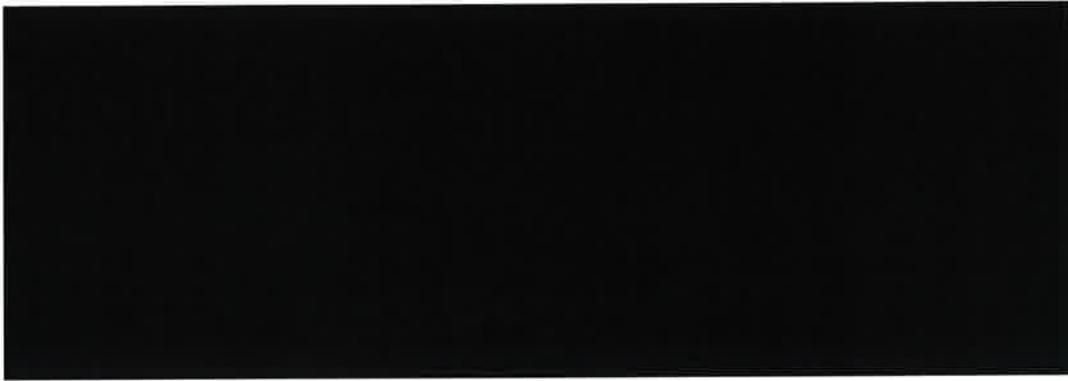
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2.2 Conclusions from off-boarding

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² High Risk Non-Resident is defined as entity registered outside of the EU countries and Norway, excluding Malta, Cyprus, UK and Luxembourg plus 13 EU PSPs because of technical reasons



2.3 Accelerated off-boarding and enhanced monitoring resulted in several reports to FIU

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- [Redacted list item]

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2.4 Lessons learned

During the off boarding process HRNR clients were put under pressure to empty accounts and find new banking relationships. The underlying account contracts enabled Swedbank to close the business without any particular reason and with a grace period of two months. The accelerated closing of accounts in combination with the difficulties the clients experienced in opening accounts in other banks triggered behaviours such as loan agreements between Focus companies that likely raised more red flags and reports to FIU compared to ordinary business prerequisites. However, it is clear that these relationships should have raised more red flags and transaction refusal and/or suspicious transactions reports to FIU⁵ in the past due to the many times low quality of underlying documents and unclear purposes of transactions or other high risk indicators.

3. AML Investigation

3.1 The investigation

[Redacted text block]

3.2 Focus Clients

[Redacted text block]

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3.3 AML investigation into Focus clients

3.3.1 Conclusions from AML investigation

It cannot be excluded that the Focus Group may have used the Bank for money laundering purposes. The Bank made such transactions possible by giving the clients the opportunity to transfer large funds in different currency to bank accounts controlled by offshore entities, without fully understanding the real nature of business, the interests beyond transactions or questioning the source of funds.

The lack of an effective and adequate AML programme including, but not limited to, monitoring of clients and transaction as well as proper governance and internal control and the high risk for involvement in facilitating money laundering for clients, increased the risk for the Bank.

The overall finding from the AML investigation is the systematic weakness in our AML operation due to low AML competence and compliance culture. Deficiencies in the AML control framework are mainly identified in relation to the customer acceptance and the monitoring of transactions where several warning signs and indicators of money laundering appear to have been missed or neglected.

3.3.2 Weak compliance culture

There were no real signs found of a risk based approach to the AML processes and there were no explanations why employees did not comply with the AML policies and routines in practice. Management involved in the AML process for the Focus Group did not have a clear understanding of their role and the separate activities defined to be made by 1st line of defence (client management) and 2nd line of defence (compliance) in the Bank. This confusion and misunderstanding have led to lack of proper monitoring and oversight of the Bank's AML obligations.

3.3.3 Ineffective monitoring

The Bank monitored transactions for the Focus Group (and other clients) retroactively on weekly basis, followed up by asking the client additional questions. The client managers who presumably had the best knowledge of the clients and their businesses, was responsible for this weekly monitoring. The investigation, however, gives the impression that all these efforts were done more or less as a "tick in the box" exercise with no real understanding of the aim or the purpose of the AML requirements.

Up and until the off boarding period in 2017 no transactions suggestive of money laundering was stopped and/or reported to FIU in accordance with mandatory AML laws. These include questionable loan agreements or invoices with or between companies in the Focus Group. The AML investigation found no proof of awareness of money laundering indicators or any evidence of any proper investigation of suspicious transactions for the Focus Group in the reviewed period from 2012 to February 2017.

3.3.4 Weak KYC

The due diligence of new clients was inadequate and the Bank failed to obtain sufficient information about the client and its business in several occasions. Clients refusal to provide sufficient and relevant information to the Bank should have led to the decision not to accept the client.

There was only one employee, the former client manager, who could say if an entity was connected to the group of [REDACTED]. He was apparently the only employee in the Bank who had the insight and knowledge to conduct proper monitoring of transaction. He did however not identify any suspicion of money laundering.

3.4 Investigation of any possible wrongdoing by Swedbank Estonia employees

3.4.1 Collective liability

While the investigation have not found any criminal act purported by a specific member of the management of the bank the management has collectively, and to different degrees, failed to act to protect the bank and to comply with the bank's legal obligations. Senior management has not (real or perceived) adequately understood the risks associated with the Focus Group Clients and the investigation concludes that:

- Senior management has not fulfilled its express obligations in key areas of responsibility related to anti-money laundering
- Senior management has not promoted a culture of competence, transparency and trust in relation to AML obligations
- Senior management's failure to comply has been ongoing throughout the whole period of review (2012 – 2016)

3.4.2 Everyone involved was to some extent aware

The entities set up by Focus Group in Cyprus were owned by BVI entities to hide the names of the real owners.

On paper, there were no links between the entities and the ultimate beneficial owners. A vast majority of the companies had nominee shareholders (proxies and strawmen registered both officially and in the bank as beneficial owners). The links between entities and the group [REDACTED] was based on oral information from contact persons of the Focus Group an interpretation of transactions; historical cash flow and counter parties.

Several of the members of the management board in the Bank had knowledge of the Focus Group and their refusal to provide the Bank with needed documents, e.g. shareholder agreements, signed documents of ownership and proper documentation of links between the entities and alleged beneficial owners.

According to a number of employees in the Bank as well as according to internal documents reviewed, the former Head of the Compliance department in Estonia, throughout the review period, was aware that the beneficial owners of the entities

of the companies within the Focus Group were not documented in the official documents.

New entities were accepted as clients of the Focus Group without proper documentation and the Bank opened bank accounts even if there were no proof of the source of funds and the entity was represented by an individual operating on behalf of others.

3.4.3 No evidence of personal gain

The investigation has not identified any clear elements to suggest that employees or members of the management board lead lifestyles which are beyond their means. Similarly, the investigation identified no indications or intelligence that employees have received remuneration from the Focus Group in exchange for the facilitation of the relationship with Swedbank. Nor have the investigation identified evident external ties between employees and the Focus Group.

However, the absence of outward indications of excessive wealth does not mean that individuals were not involved in wrongdoing. It simply means that in Estonia, and in Russia, their asset profile is in line with their income.

During the investigation one individual of interest arose: [REDACTED], a Swedbank Estonia [REDACTED] [REDACTED] registered wealth does not appear to exceed his earnings, and the sampling review of [REDACTED] correspondence identified no indication that his interaction with the Focus Group was beyond what can be expected of a [REDACTED] [REDACTED]. However, the investigation identified instant messaging communication between [REDACTED] and his colleague that indicates he had knowledge that certain transactions made by companies within the Focus Group were likely irregular. In discussing one transaction with a colleague, [REDACTED] said this transaction was "not the whitest of deals", using a colloquialism indicating it was not transparent. In another communication, where it is not clear whether they are discussing a Focus Group company or another client, [REDACTED] says to a colleague that one transaction received by an unspecified company was listed as being related to gas transportation services, and then left the same entity as "prepayment for stationary goods". [REDACTED] described this transaction as "a tall tale"⁶.

Client memorandums produced by [REDACTED] in 2009 and 2016 suggest that he was familiar with the corporate structure of the focus group, its ultimate beneficiaries, the names of intermediaries and nominees and the manner in which focus group companies intended to move funds across the group by means of inter-company loans.

⁶ The Russian used in this context translates literally to mean 'fairy tale'

4. Contacts with regulators and authorities throughout the project

4.1 Financial supervisory Authorities

The project has during the off-boarding had contacts with relevant authorities and have had meeting with the Estonian FIU and FSA in order to explain the increased number of transactions reported as well as the reasons behind the reports and other circumstances related to the off-boarding and the way forward.



5. Recommendations

5.1 The way forward – no legacy business culture

Based on the findings made during the de-risking and off-boarding period it is clear that Swedbank Estonia needs to ensure a stronger culture of AML compliance and business ethics. This entails a change of culture, risk awareness and knowledge within the different business units as well as other parts of the bank, empowering the Compliance staff with sufficient authority, knowledge and autonomy to follow up on AML compliance as well as facilitating in implementing the new AML program. Furthermore it entails that all three lines of defense are empowered to conduct their duties and understand their roles and responsibilities.

Circumstances associated with legacy business culture needs to be flagged and questioned, including but not limited to:

- Arrangements with asset-holding vehicles and proxies/nominee shareholders
- The ownership by offshore entities and certain other entities such as LP entities in UK.
- Complex client structures
- Difficulties to confirm the business from open sources
- Payments received from unknown or un-associated third parties
- Close connections between businesses and the owner's private wealth

AML training needs to be updated, tailored to responsibilities and executed for leaders, AML compliance staff, client managers and other relevant staff. There is also a need to ensure appropriate mechanisms for sharing information within the organization and for information sharing on Money Laundering Reporting Officer level as well as seeing to that there are sufficient technological, human resources and relevant competence to fulfil AML obligations.

5.2 Further actions proposed by the external AML Investigator based on the findings from the AML investigation.

5.2.1 Board of directors

Effective AML risk management requires proper governance arrangement and the board of directors in Swedbank Estonia should have a clear understanding of the AML risks. The board of directors is required to approve and oversee that the policies for risk, risk management and compliance is relevant in the context of AML risks and should request quarterly reports from the CEO of the Bank in Estonia of improvements made, including action plan for future measures to improve and strengthen AML compliance.

In order for the organisation to learn, the communication to internal relevant stakeholders on the weaknesses in the AML/CTF area must be ensured, amongst them, managers and executive management in relevant subsidiaries and on Group level.

5.2.2 Empower staff in the three lines of defense

Empower Compliance staff with sufficient authority and autonomy to implement the new AML program to ensure the implementation is not being compromised by revenue interests.

The Bank has a strategy of three lines of defends to prevent money laundering and to ensure AML compliance. It is important that all these three lines of defense are empowered to conduct their duties and understand their roles and responsibilities. Policies and processes must prevent any risk of misunderstanding of roles and responsibilities among first and second line of defense that can lead to vital steps not being undertaken appropriately.

Observations presented in this report might be explained as consequences of inadequate organization and structure of the three lines of defense. Both the business units and compliance department, responsible for AML, was understaffed. There were misunderstandings among employees of their roles and responsibilities. Inadequate description of responsibilities and lack of competence are some of the weaknesses resulting in non-compliance with AML regulations.

Strong three lines of defense can, as a general rule, make the Bank more robust and able to manage and mitigate the money laundering risk.

5.2.3 AML risk assessment

Prepare an updated, factual and real AML risk assessment for the Bank that includes the findings and observation from this report and other findings made from the off-boarding process in Estonia.

5.2.4 AML strategy and program

Develop an update a formal AML strategy based on the findings from the AML risk assessment and observations from the investigation of Focus Clients.

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5.2.5 Information and training

Provide periodic AML training for leaders, AML compliance staff, client managers and other relevant staff being a part of the three lines of defense, tailored to their roles and responsibilities.

Make sure there are appropriate mechanisms for sharing information of suspicious transactions and activities within the organization and for information sharing on MLRO level.

5.2.6 Human and Technological Resources

Ensure there is sufficient technological and human resources and competence to fulfil AML obligations.

5.2.7 Testing of the AML program

The components of an effective AML compliance program include, among other components, ongoing risk assessment, risk-based customer due diligence, detection and reporting of suspicious activities and independent testing of the AML program.

The third line of defense, the Internal Audit, should be committed to conduct internal audit program that would test the AML compliance and sanctions regulations and laws.

5.2.8 Further actions based on identified weaknesses investigation into transactions made by clients

Based on the findings of non-compliance with regulatory requirements, the Bank is advised to make a thorough review of the identified weaknesses reported during the investigation. The use of straw men, corporate vehicles and entities in off-shore jurisdictions have led to high risk for the Bank being involved in money laundering.

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Appendix 1.

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Focus Clients

AML INVESTIGATION

Prepared for Swedbank AB

DRAFT 7/7/2017

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Abbreviations used throughout the report

Abbreviation	Explanation
AML	Anti-money laundering
AMLO	Anti-money laundering officer
CDD	Customer due diligence
EDD	Enhanced due diligence
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
FSA	Financial Supervision Authority
KYC	Know your client
MLTFPA	(Estonian) Money Laundering and Terrorist Financing Prevention Act
OFAC	Office of Foreign Asset Control (US)
PEP	Politically exposed person
The Bank	Swedbank AS Estonia
UBO	Ultimate beneficial owner

Disclaimer

This report for Swedbank AB is made by Erling Grimstad, a Norwegian lawyer practicing from Advokatfirmaet Erling Grimstad AS (Norway) and member of the Norwegian Bar Association. The ability to engage in any activities on behalf of a client outside Norway is subject to statutes and professional codes and court rules. Any legal advice or opinion rendered on laws or regulations outside Norway, should be considered not necessarily to be within my expertise. You should seek appropriate counsel for specific legal advice outside Norway, to understand your position and obligations in accordance with the national law. This report is strictly confidential and contains attorney-client privileged information solely prepared for Swedbank AB.

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SUMMARY

This report summaries the Anti-money laundering (AML) investigation into Swedbank AS Estonia (the Bank) carried out by Advokatfirmaet Erling Grimstad AS in the period February to June 2017 according to the mandate.

While we have only assessed a limited number of clients (the Focus Clients) and corresponding transactions, we have identified major breaches of relevant AML regulations pertaining to these high risk non-residential clients (individuals and entities), as described more in detail in this report. In our opinion, the non-compliance is primarily due to a systemic failure by the local management of the Bank to ensure an appropriate compliance culture as well as AML infrastructure to ensure compliance with AML regulations. Inadequate risk management systems, risk awareness, competence, resources and governance structure, are seen as major causes of the non-compliance with the relevant AML legislation.

We found that the Focus Clients may have used the Bank for money laundering purposes. The Bank made such transactions possible by giving the clients the opportunity to transfer significant amounts in different currency to bank accounts controlled by straw men of offshore entities, without fully understanding the real nature of business, the interests beyond transactions or questioning the source of funds. We however note that there is no concrete evidence of specific profits from criminal origin being transferred by the Bank.

The lack of an effective and adequate AML programme and the high risk for involvement in facilitating money laundering for clients, increased the risk for the Bank and made the Bank attractive for clients who might abuse the banking system for money laundering. Enabling clients to transfer value for money laundering, exposes the Bank for a significant risk of reputational damage as well as criminal and civil liability.

The investigation has not revealed any evidence of deliberate or reckless behaviour of the senior management of the Bank.

We are aware that since 2016, the Bank has made several efforts to mitigate the risks identified, to off board high risk clients and to build a strong AML framework within the Bank.

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1. Introduction, scope and objectives

1.1. Introduction and overview

On 1 February 2017 Advokatfirmaet Erling Grimstad was given a mandate to investigate matters in relation to a group of Swedbank client relationships, referred to by the bank as the Focus Group Clients (hereafter called the "Focus Clients"). The Clients broadly consist of a group of clients that are related to a group of companies which again are related to [REDACTED]

The background for the request was that Swedbank was made aware of a possibility that the Focus Clients might have been using the bank for money laundering purposes. The awareness was partly brought forward through correspondent bank requests and internal findings made by the Swedbank anti-money laundering office in LC&I (AMLO). The suspected activities were to have been transacted through the Swedbank AS Estonia (the Bank) subsidiary of Swedbank AB, being part of the business area Baltic Banking.

The scope of the services was agreed to comprise of the following, divided into two phases:

- Phase 1: Conduct an anti-money laundering investigation focusing on the Focus Client relationships for the period 2012 – 2016, and
- Phase 2: Based on observations made during Phase 1, advise Swedbank on process improvements to its AML Compliance processes.

This Report contains the findings and observations of Phase 1 of the Mandate and recommendations based thereon.

1.2. Scope and limitations

The scope of our AML investigation has been defined by the Mandate. The aim of the AML investigation has been to analyse the level of compliance with AML regulations and to identify any major deficiencies in the AML control framework. In addition, our tasks have included investigating any possible wrongdoing by employees in their handling of the Focus Clients, particularly with respect to identifying any activity or transaction highly suggestive of money laundering.

The aim of the report is also to the Bank a better understanding of the investigated matters should it face possible enforcement action from FSA (in Sweden or Estonia) or other authorities.

We have not investigated entities or persons (including clients of Swedbank) outside the Focus Clients unless such omissions, to the best of our knowledge, would render our investigation misleading or incomplete. Moreover, our investigation has been purely fact based, and we do not intend to render any legal advice in this Report.

1.3. Objective of the report

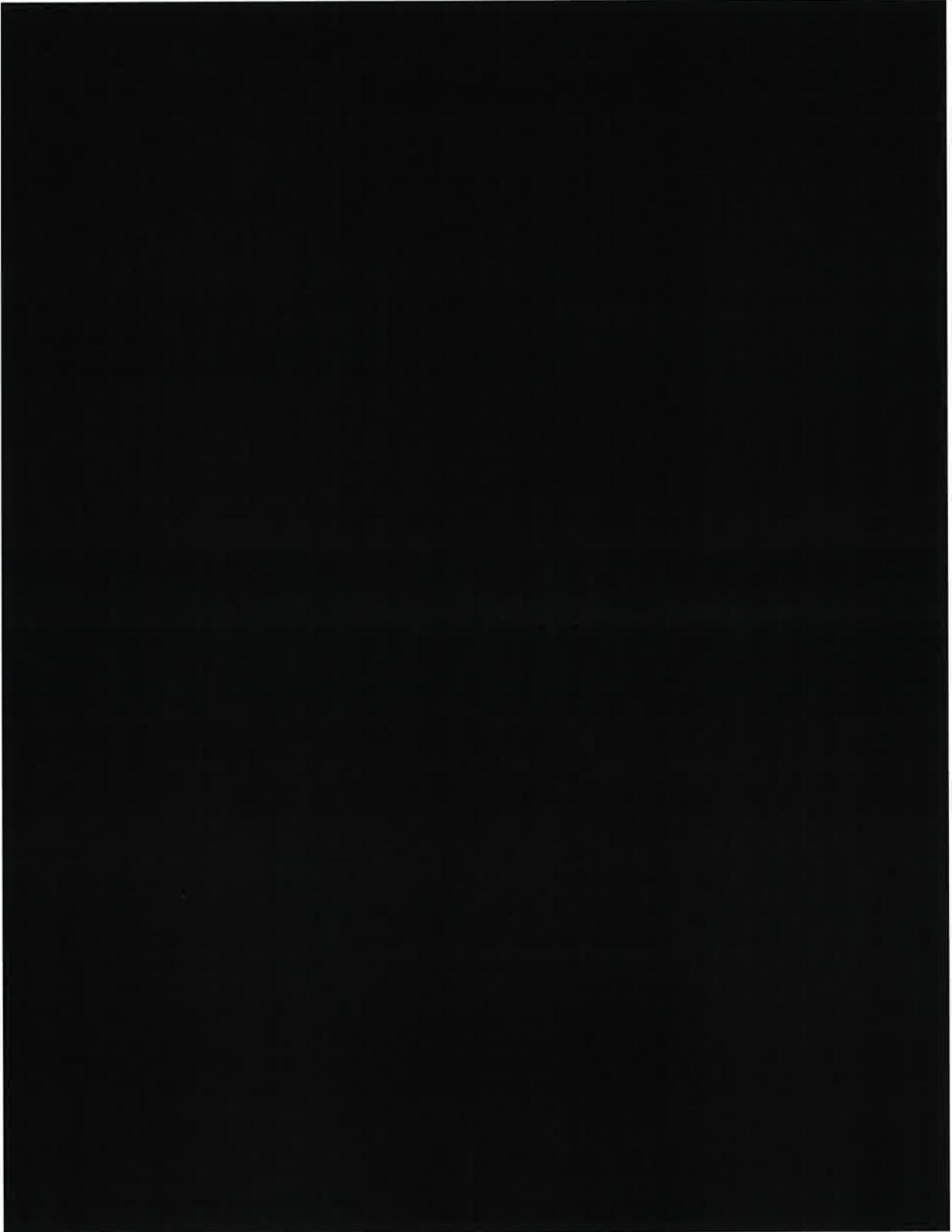
The main objective of this Report is to describe the material findings of our investigation. In reporting our focus has been facts and circumstances that may be of relevance to the Bank's potential legal liability, its reputation, and/ or that may serve as future learning and competence building (particularly in respect of AML compliance).

The report does not in any way provide an exhaustive description of all observations made during the investigative process. As agreed with Swedbank, we have endeavoured to keep this report relatively short.

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2. Our approach and methods

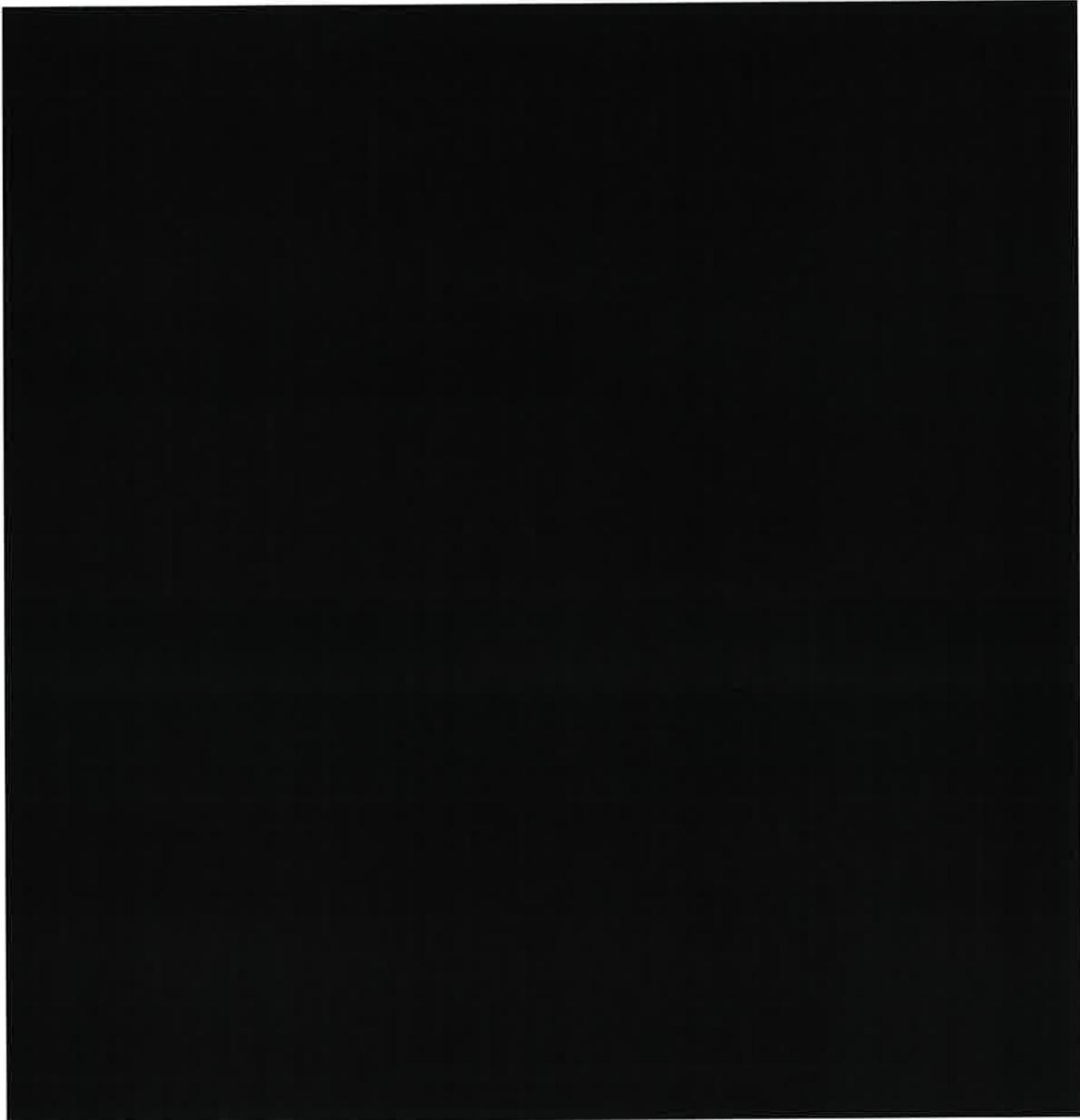
2.1. Methodology used for review and fact finding



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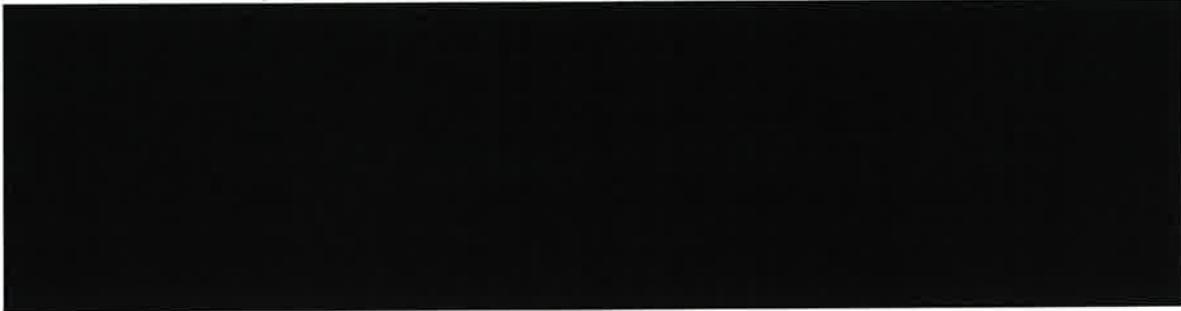
3. AML compliance and risk assessment

3.1. AML regulations in Estonia



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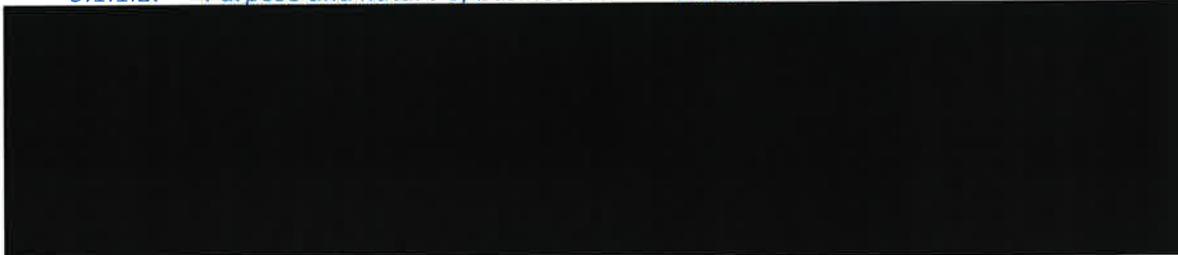
3.1.1. Due diligence – a risk based approach



3.1.1.1. Identity of the customer



3.1.1.2. Purpose and nature of business and transaction

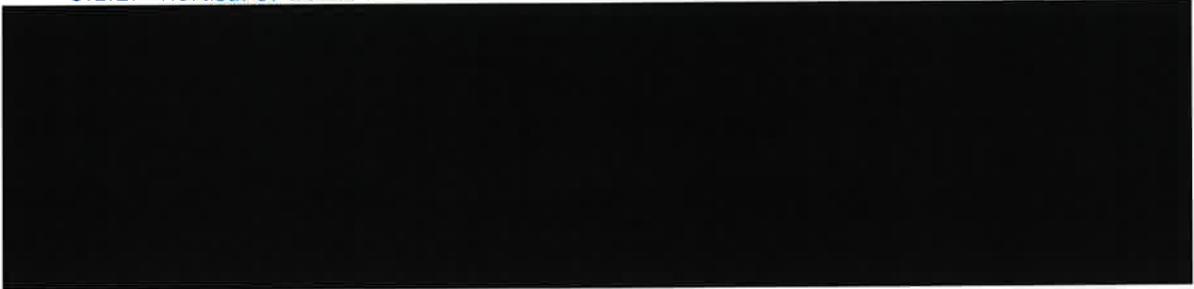


3.1.1.3. Enhanced Due Diligence – EDD

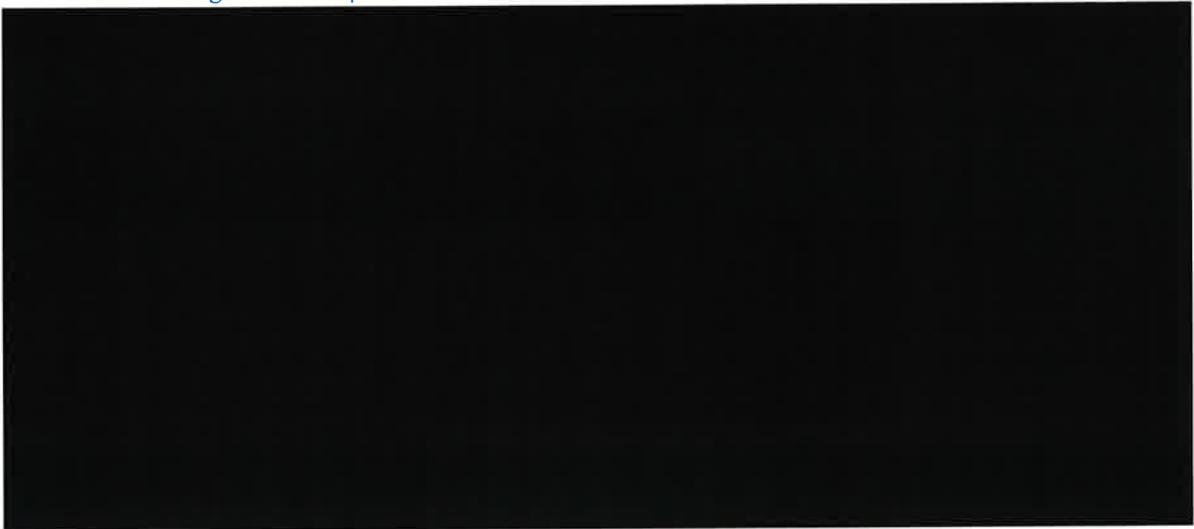


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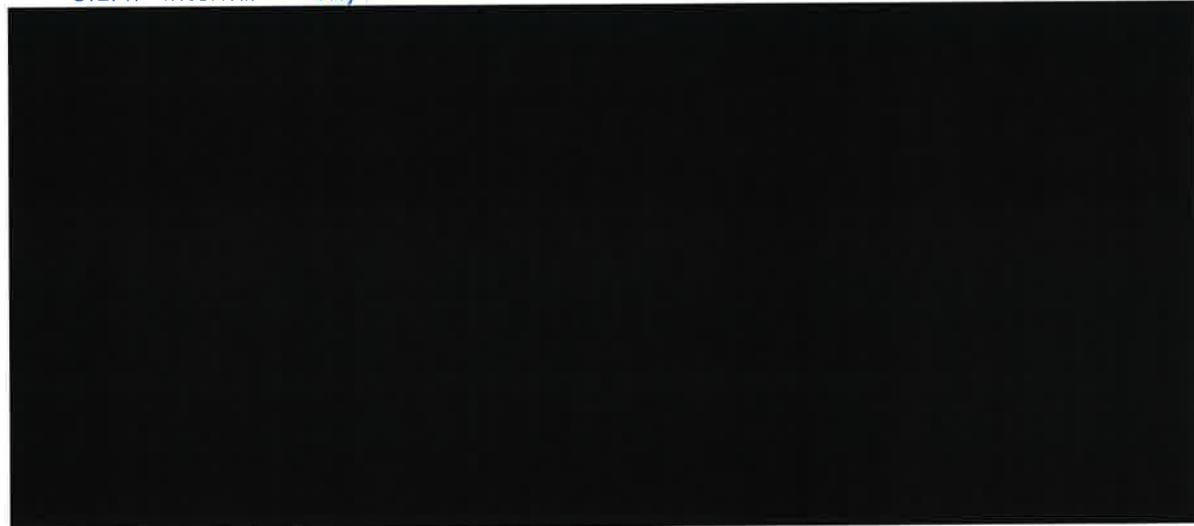
3.1.2. Refusal of transaction



3.1.3. Obligation to report



3.1.4. Internal security measures



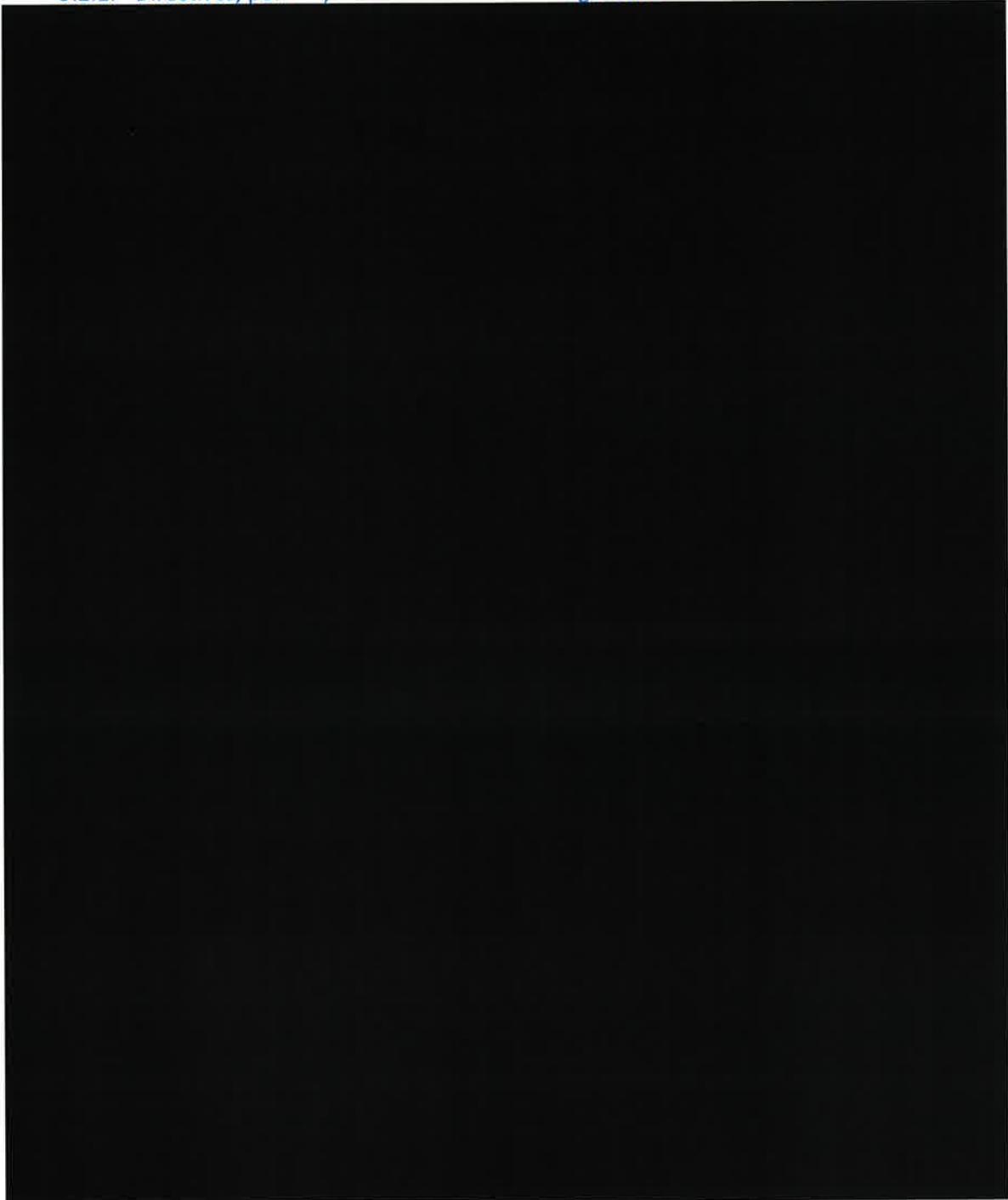
3.1.5. Keeping of records



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3.2. AML regulations and general conditions for engagement with customers

3.2.1. Directives, policies, relevant mandates and governance rules for the Bank



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3.2.2. General conditions

[Redacted]

3.3. Overall risks identified from the AML investigation

3.3.1. Introduction

[Redacted]

3.3.2. Risk of criminal proceedings in Estonia

[Redacted]

3.3.3. Risk of criminal proceedings

[Redacted]

[Redacted]

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3.3.4. Risk of actions from Estonian and other financial supervisory authorities

[Redacted]

3.3.5. Risk of civil claims

[Redacted]

3.3.6. Reputational risk

[Redacted]

3.3.7. Corresponding banks

[Redacted]

4. Focus Clients

4.1. Introduction

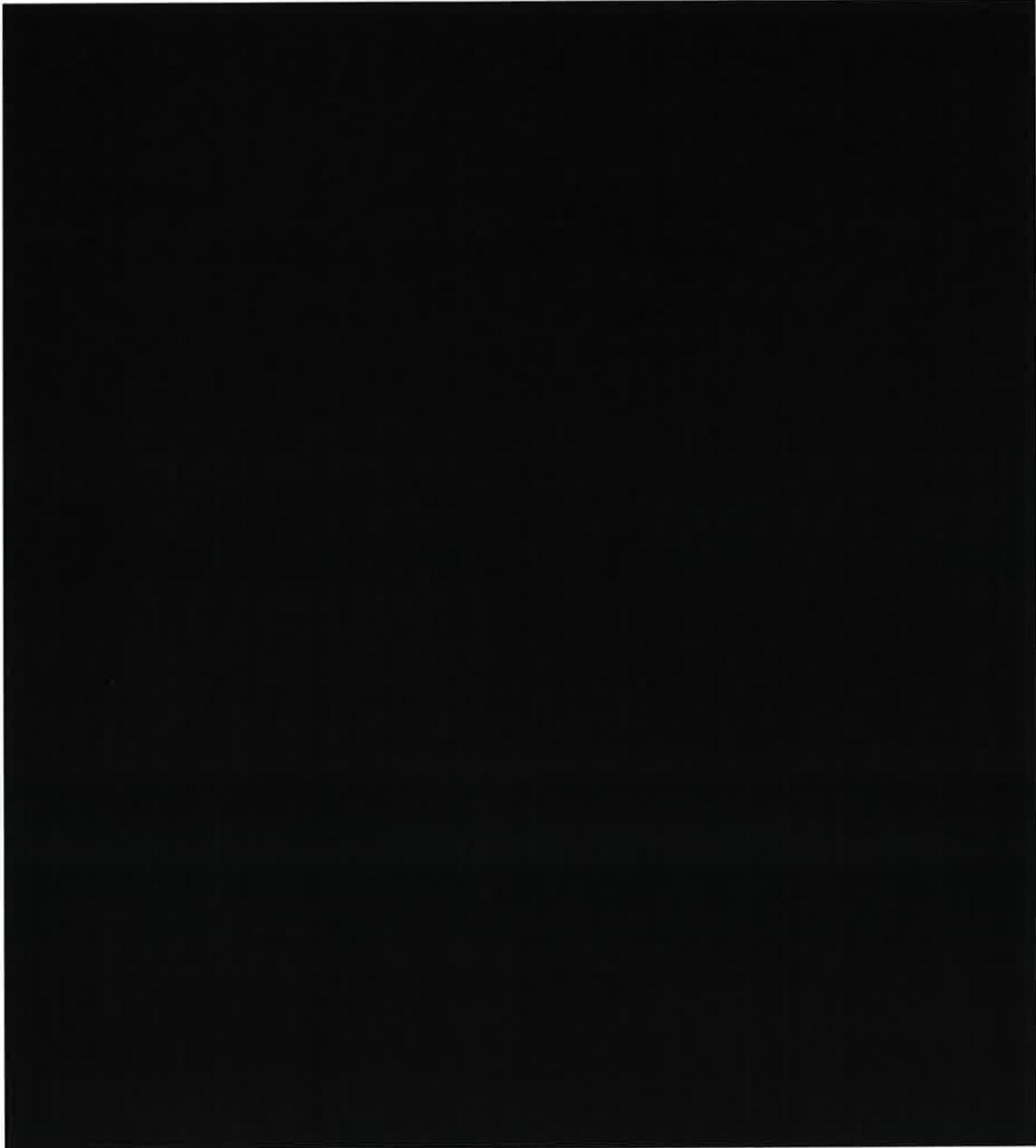
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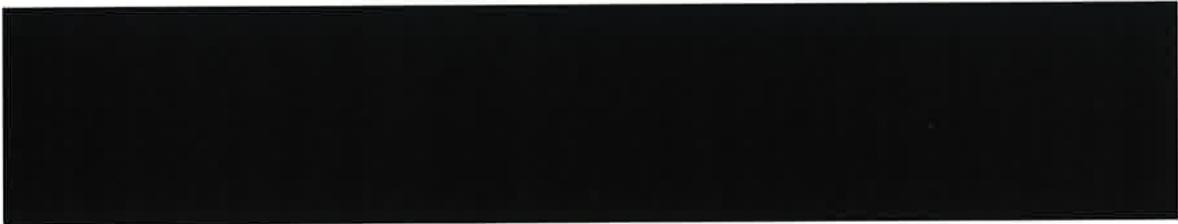
[Redacted]

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4.2. Focus Clients – key individuals and entities



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[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

4.2.1. [Redacted] group of entities

[Redacted]

[Redacted]

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[REDACTED]

5. Observations and relevant findings

5.1. Summary

This section gives a brief overview of the major observation and findings described in this chapter.

No proper registration or verification of the Focus Clients

We found no verification of the identity of the ultimate beneficial ownership of the customer. Some of the persons acting on their behalf as representatives for some of the entities, was identified and said to be employees in the group of entities (Focus Clients). In general, the Bank should not establish a banking relationship, or carry out transactions, until the identity of the customer has been satisfactorily established and verified. The Bank accepted the disguise of individuals they believed to be beneficial owners, by not documenting the beneficial ownership in records. The clients' use of straw men, hiding the real interests beyond funds, was accepted.

The Bank has however internally in KYC documents and credit memos stated the supposed beneficial owners and informed the EFSA about the same in their answers to EFSA inquiry.

The Bank had no proper understanding of the purpose and intended nature of the business relationship or transactions for several of the entities being part of Focus Clients.

Monitoring of transactions

The lack of information on the business purpose of the individual Focus Clients, made it almost impossible to provide the Bank with a meaningful basis for ongoing monitoring of transactions by these clients. We found several suspicious transactions, such as questionable payments of dividends, payment for loans, invoices suspected to be trade base money laundering, use of nominees or proxies linked to cases of money laundering and criminal activity and more. There was no report of any suspicious transactions being investigated or reported to the FIU.

AML program and internal control

The AML program was inadequate. The Bank did not carry out an adequate and factual risk assessment. The directives and policies on AML at the time was not enforced and there was confusion as to roles and responsibilities for AML monitoring.

Facilitation of money laundering

By accepting to disguise the real owners and keeping no sufficient records of the real relationship, nature of business nor the intended nature of transactions, there is a risk of the Bank having facilitated money laundering.

Generally best practice requirements not adopted

More in general there are several observations made of failure to prudently adopt "best practice" as a fundamental concern for the Bank.

Lack of oversight and supervision - responsibility of the board of directors

The board of directors has the overall responsibility for adequate AML policies and processes, including strict customer due diligence rules to promote high ethical and professional standards in the Bank and prevent the

[REDACTED]

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Bank from being used, intentionally or unintentionally, for criminal activities.³¹ This responsibility require the board of directors to ensure a sound AML risk program able to address the money laundering risks and to oversee that there are adequate and effective policies and processes in the Bank. These responsibilities should not be compromised by the financial interests in banking for high risk clients.

Assessment and understanding of risks require that the employees of the Bank are able to detect and understand the money laundering risk, not missing warning signs. Through clearly defined roles and responsibilities, the Bank is able to build a strong culture of responsibility from employees for the AML program. The effectiveness of the AML program requires proper governance arrangements, especially requirements for the board of directors to approve and oversee that the policies, risk management and compliance is relevant for the money laundering risks.

The board of directors should ensure that the Banks policies and procedures are managed effectively.

Inadequate risk assessment or understanding of the money laundering risks involved with the Focus Clients

By conducting a comprehensive risk assessment for money laundering risks, based on factual findings as is, relevant inherent and residual risks factors can be determined. The risk assessment must include engagement with high-risk non-resident clients. The risk assessment should include information from the client management database (CMEE), transaction database (Star), products, services, payment channels, jurisdiction where clients are doing business, country risk, information of money laundering risks from authorities in Estonia, studying of money laundering cases in the region, information from public sources and more.

From the result of a genuine and factual risk assessment by someone who understand the money laundering risk, the Bank should be able determine its risk profile and appropriate level of mitigation. The Banks policies and procedures for customer acceptance, customer identification and monitoring of business relations and operations should consider the results from the risk assessment.

No effective lines of defence

We identified understaffed business units and compliance departments responsible for AML. Misunderstanding among employees of their roles and responsibilities and inadequate description of responsibilities and lack of competence are understood to be factors resulting in non-compliance.

Strong three lines of defence can, as a general rule, make the Bank manage and mitigate the money laundering risk:

- The first line of defence being the business units, front office and the employees facing the clients. They should have sufficient resources to identify, assess and control the money laundering risks of the business they are responsible for. It is extremely important that the business units understand the requirements in the KYC process and fully know their customers, their identity, nature of business, source of fund and wealth and are able to detect any suspicions of money laundering from their clients.
- The second line of defence being compliance, responsible for the monitoring of the business units and the fulfilment of the AML duties of the Bank.
- A strong Internal Audit has an important role as the third line of defence conducting independent evaluation of the risk management, oversee controls in place and evaluate the effectiveness of compliance with AML policies and procedures.³²³³

Culture of compliance

Effective AML program require a culture of compliance not compromised by the financial interests of the Bank. The culture of compliance is essential to protect the Bank from the abuse by clients to transfer value for money

³¹ Sound management of risks related to money laundering and financing of terrorism, Basel Committee on Banking Supervision, June 2017, Essential elements of sound ML/FL risk management.

³² Intrnal Audit Report issued 29/12/2016 from GIA on KYC Renewal Process in Baltkic Banking, including Estonia, described findings of insufficient KYC renewal process, lack of adequate governance and intrnal control and agreed actions.

³³ Internal Audit Report issued 4/10/2011 of Management, Valuation and Reporting of Problematic Investments in the Portfolios of Discretionary Asset Management Customers of Swedbank Baltic Banking did not address the AML risk.

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laundering purposes. Findings and observation gave us an impression of a weak culture of AML compliance and poor understanding of the need to protect the Bank from the money laundering risk from high-risk non-residential clients. The board of directors and supervisors are able to influence the culture of the AML compliance organisation by their requirements to staff, oversight of the AML program and constant informing and address inadequate and ineffective performance from employees.

Findings and observations presented in chapter 5

Further in this chapter, we describe the observations and findings that are, as per our understanding, the most important for the Bank at the time of submission of the report. The findings and observations described in this report are based on the information we had until finalizing the work at agreed date.

5.2. Basis for the findings and observations

5.2.1. Sample testing of KYC information

[Redacted text block]

5.2.2. Sample testing of transaction data

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[Redacted text block]

5.2.3. eDiscovery

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5.2.4. Cooperation with the Swedbank team

[Redacted text block]

[Redacted text block] ng basis.

5.3. Awareness of the AML risks resulted in off-boarding of clients

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5.4. Observation of non-compliance with AML regulations

5.4.1. High level observations of internal control



5.4.2. Internal governance and risk management



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5.4.3. Insufficient overall risk assessment



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5.4.4. Risk factors and red flags



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[Redacted]

[Redacted]

5.4.5. Technical system for detecting suspicious transactions

[Redacted]

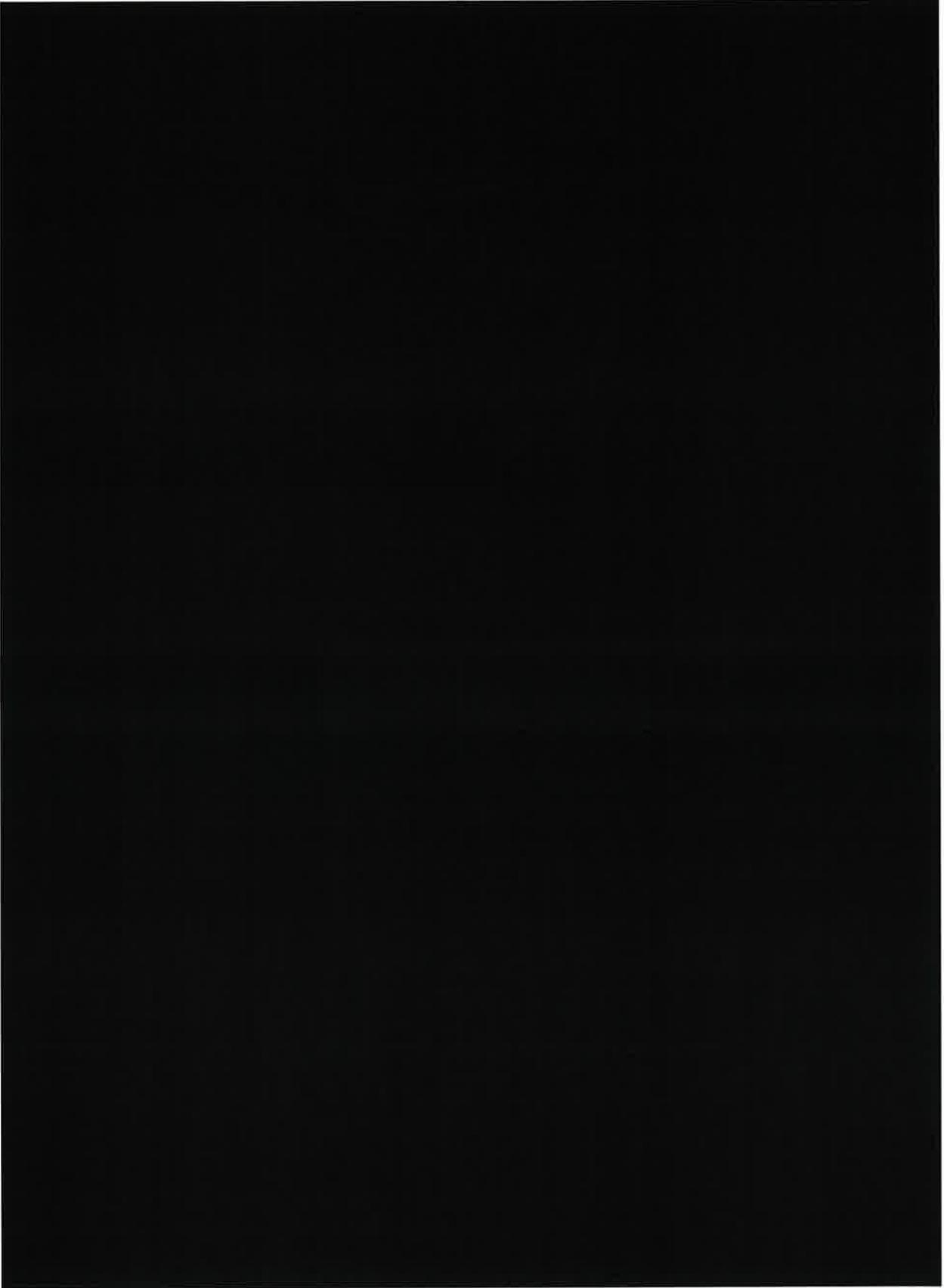
5.4.6. Examples of non compliance with AML regulations

5.4.6.1. Customer due diligence and KYC

[Redacted]

[Redacted]

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[Redacted]

[Redacted]

[Redacted]

[Redacted]

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Example -

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

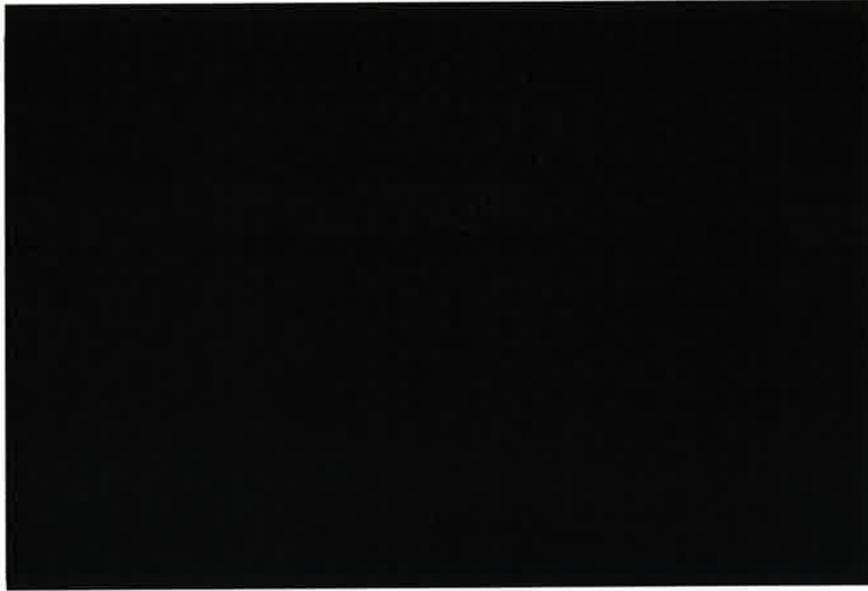
Example of individuals as beneficial owners

[REDACTED]

[REDACTED]

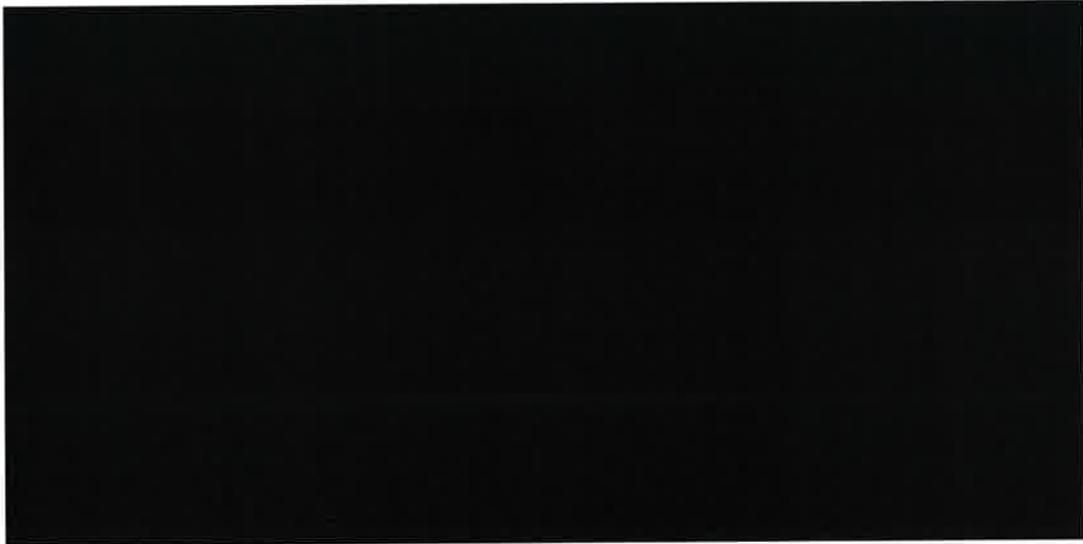
[REDACTED]

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Example – Anonymous email addresses

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5.4.6.2. *On-boarding of new entities*

[REDACTED]

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[Redacted text block]

5.4.6.3. Information available from public sources

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5.4.7. Insufficient monitoring of suspicious transactions

5.4.7.1. Monitoring and investigation of suspicious transactions

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[Redacted text block]

5.4.7.1.1. Business and private transactions for Focus Clients

[Redacted text block]

5.4.7.1.2. Other detailed examples of transactions reviewed

5.4.7.1.2.1. Example - [Redacted]

[Redacted text block]

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[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

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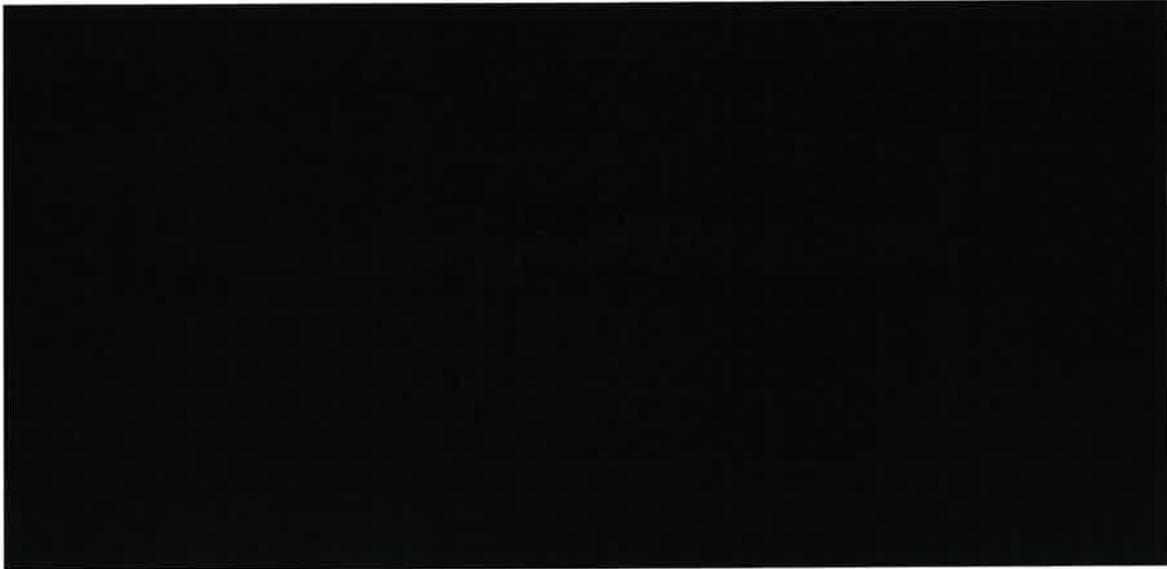
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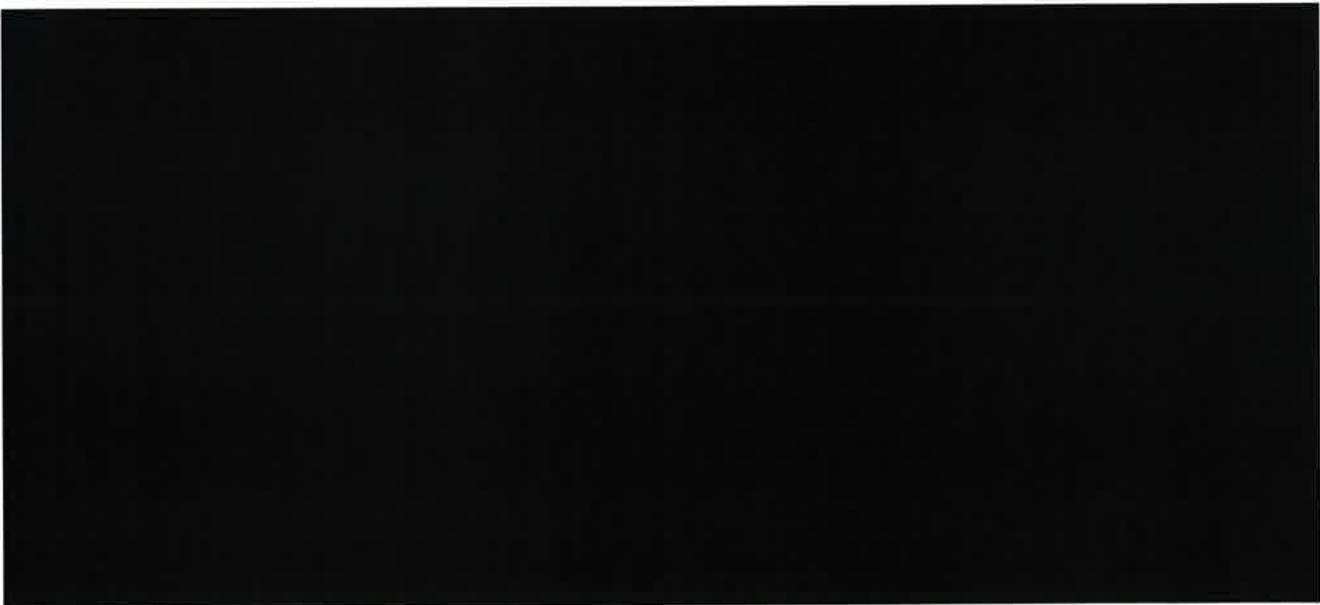
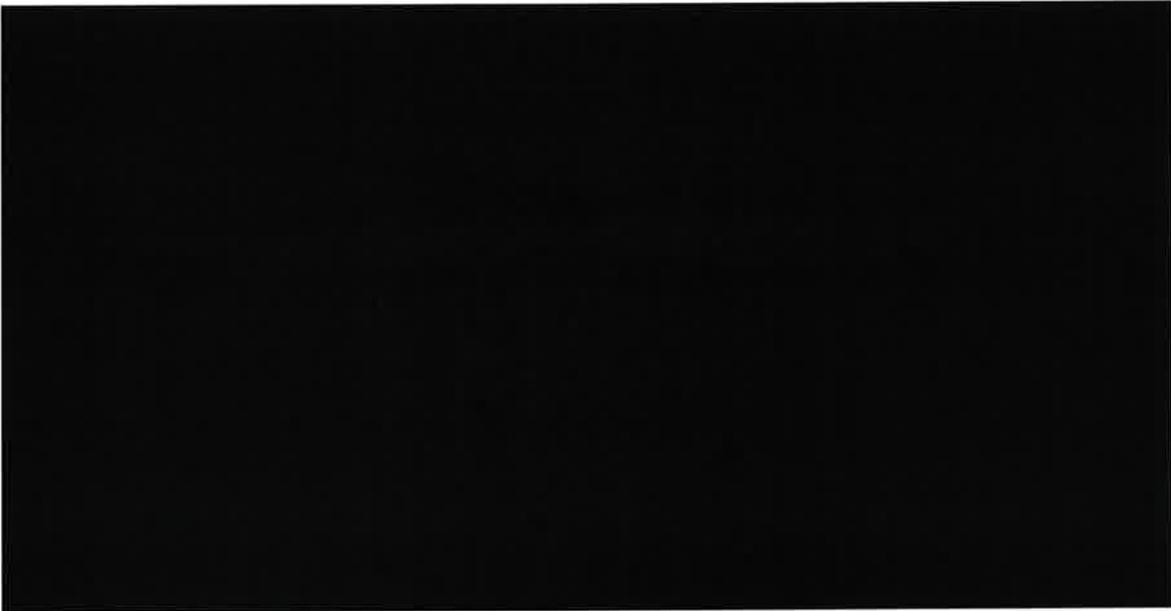


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5.4.7.1.2.2. Example – [Redacted] d

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5.5. Risk of involvement in money laundering

5.5.1. Introduction

[Redacted text block]

5.5.2. Examples of transactions

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5.5.2.1. *Transactions with clients being dissolved or liquidated*

[Redacted text block]

5.5.2.2. *Payments explained as loans*

[Redacted text block]

- [Redacted list item]

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[Redacted text block]

5.5.2.2.1. Examples of loan contract – wallet companies

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- [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

wallet companies:

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

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[Redacted]

[Redacted]

5.5.2.2.2. Examples of loan contracts – Assets companies

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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5.5.2.3. *Payments for the purchase of bulldozers* – [REDACTED]

[REDACTED]

[REDACTED]

5.5.3. *Example from the off-boarding*

[REDACTED]

[REDACTED]

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6. Recommendations

[Redacted]

1) Board of directors

[Redacted]

2) Empower staff in the three lines of defence

[Redacted]

[Redacted]

3) AML risk assessment

[Redacted]

4) AML strategy and program

[Redacted]

5) Information and training

[Redacted]

[Redacted]

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6) Human and Technological Resources

[Redacted]

7) Testing of the AML program

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8) Further actions based on identified weaknesses

[Redacted]

[Redacted]

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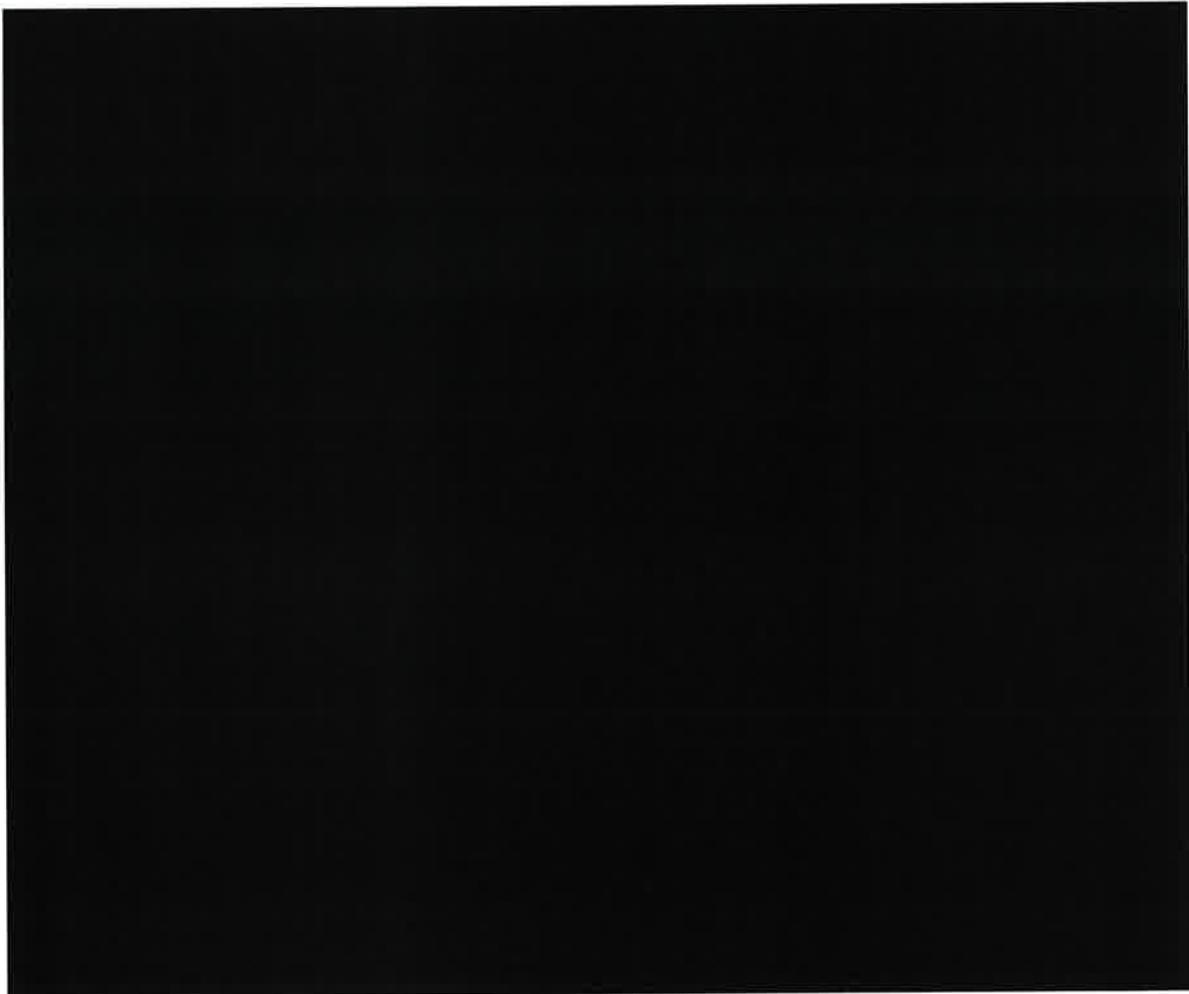
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7. Attachments

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7.1. Trends on money laundering and recommendations from authorities



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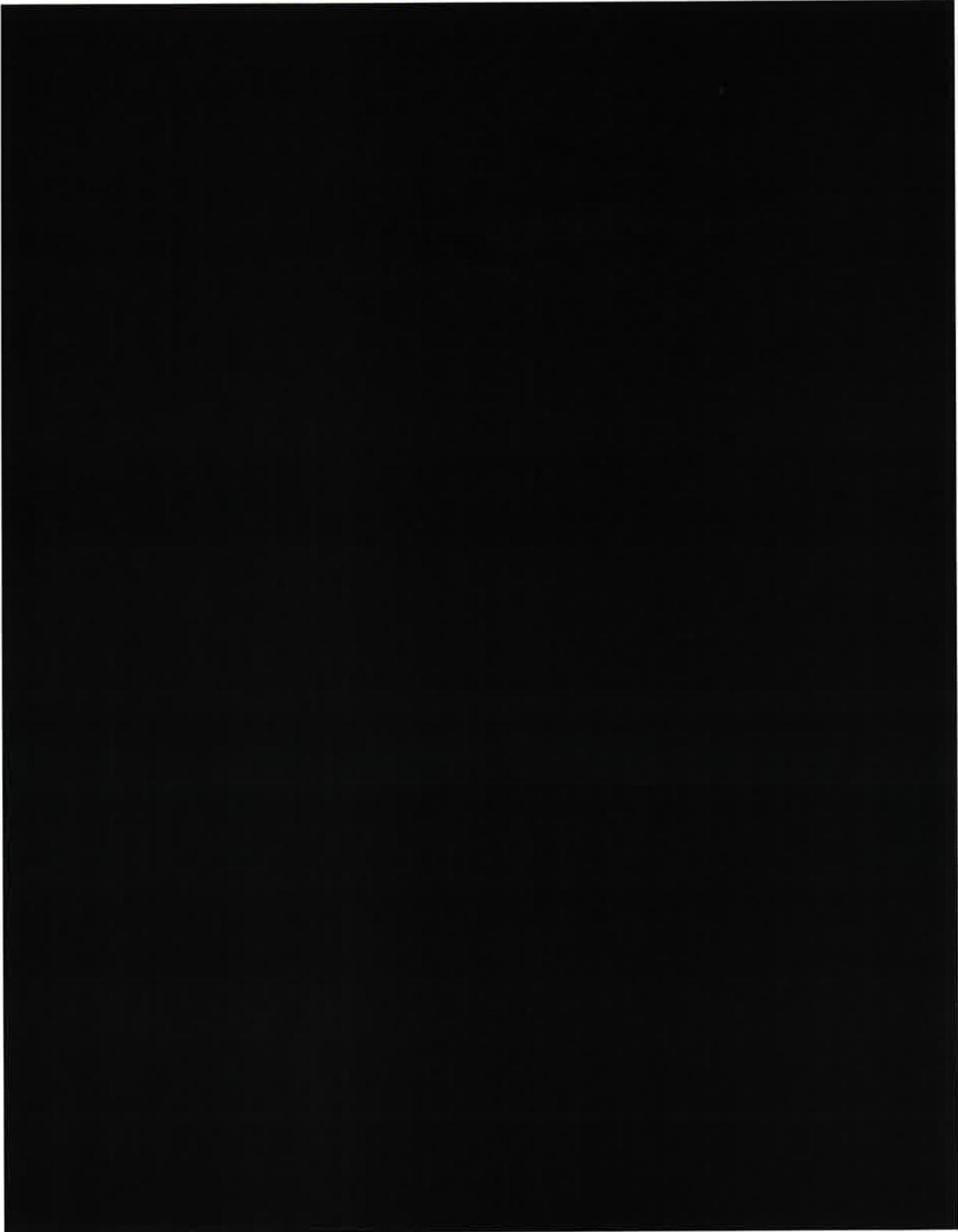
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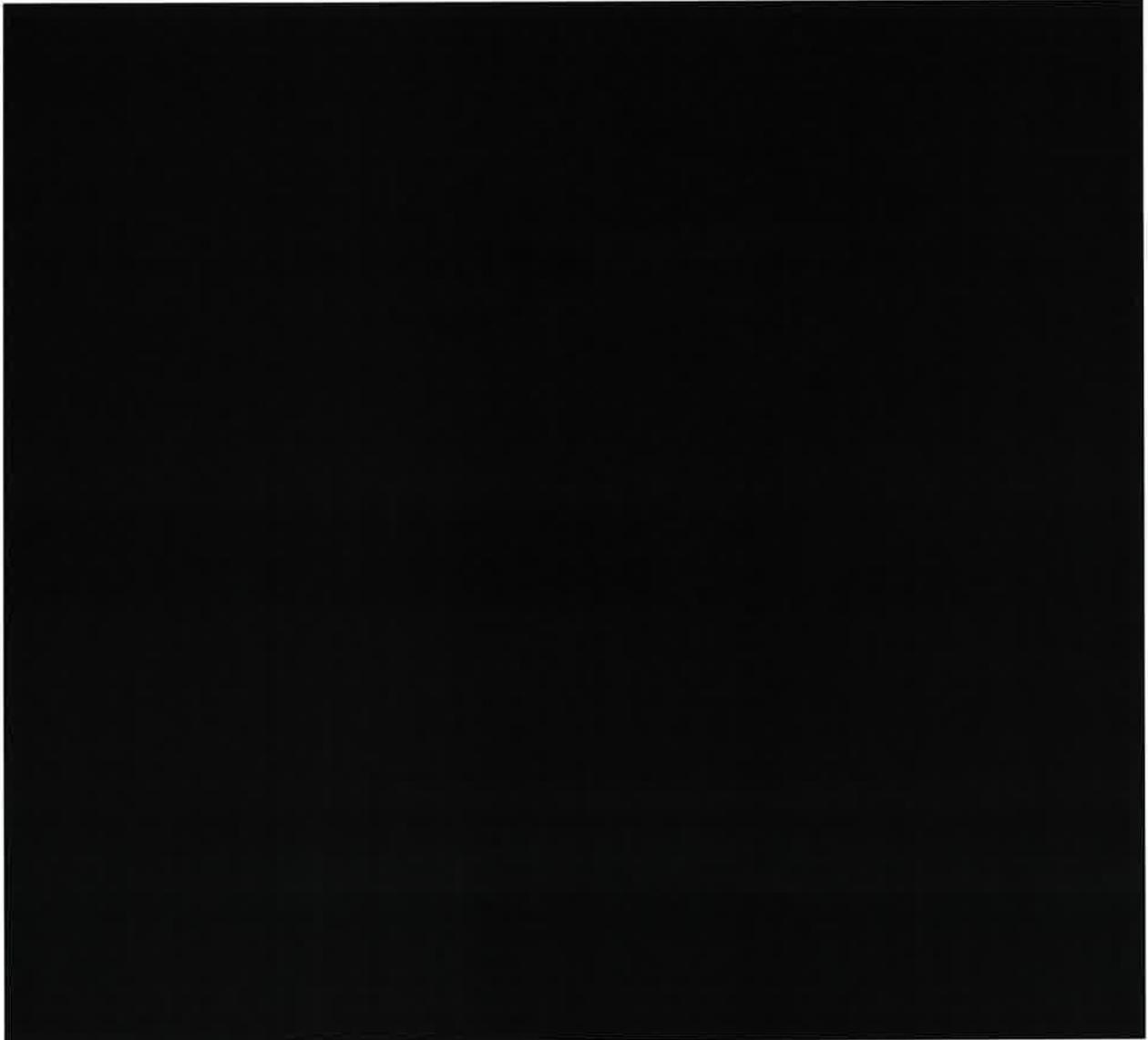
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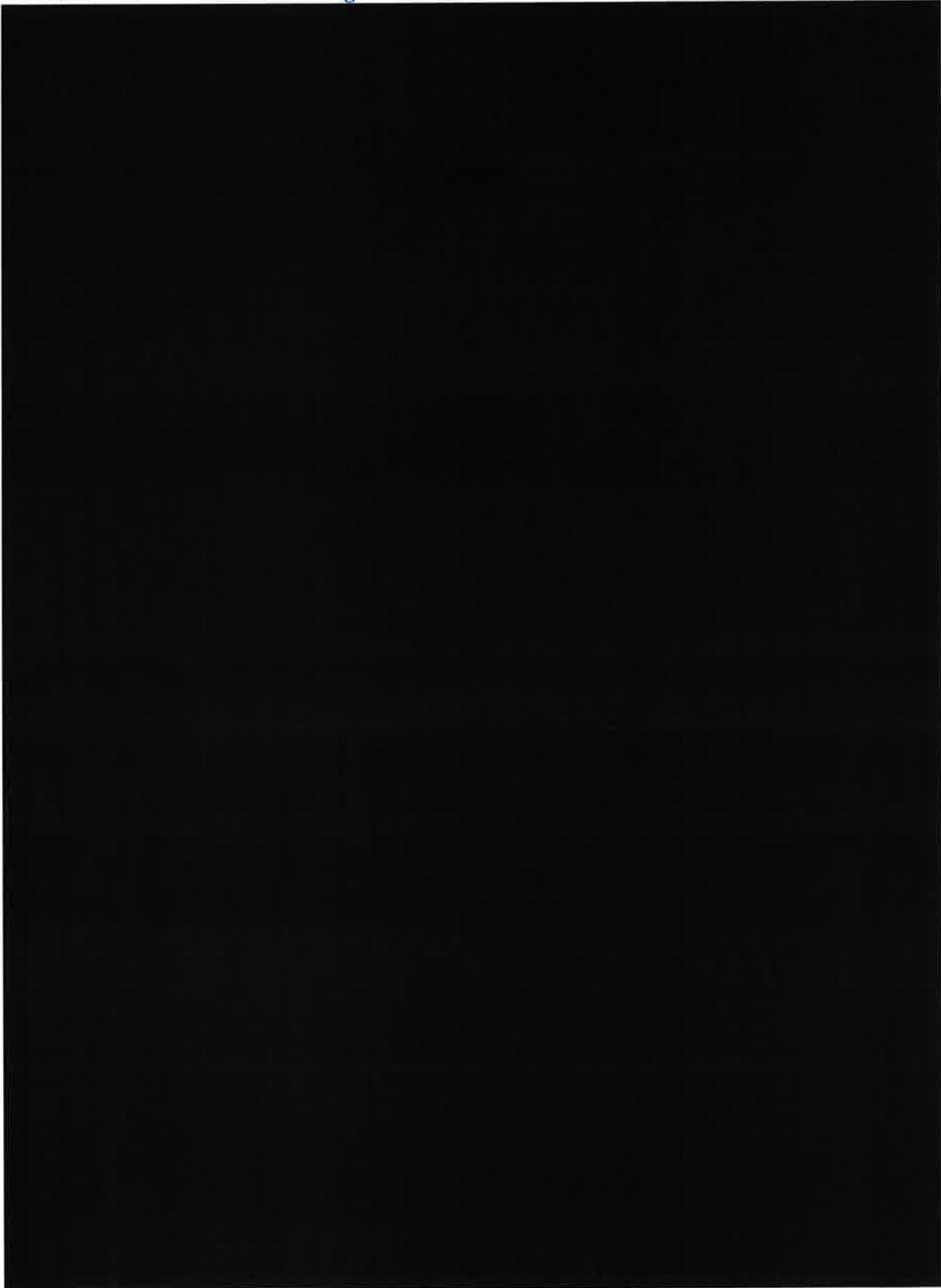


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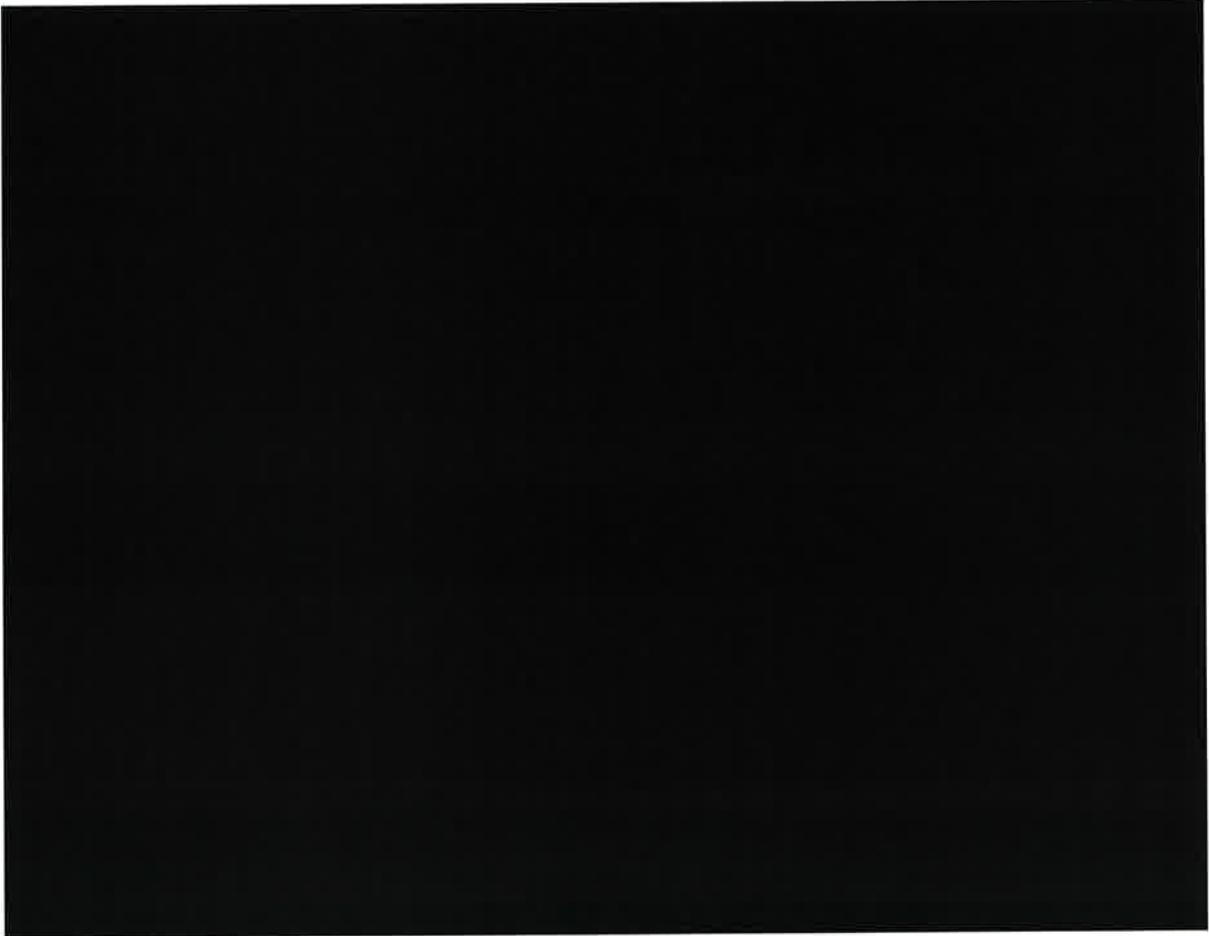
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7.2. 50 clients with the highest transaction volume in 2016



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7.3. Overview of top 5 clients (by transaction volume) per year



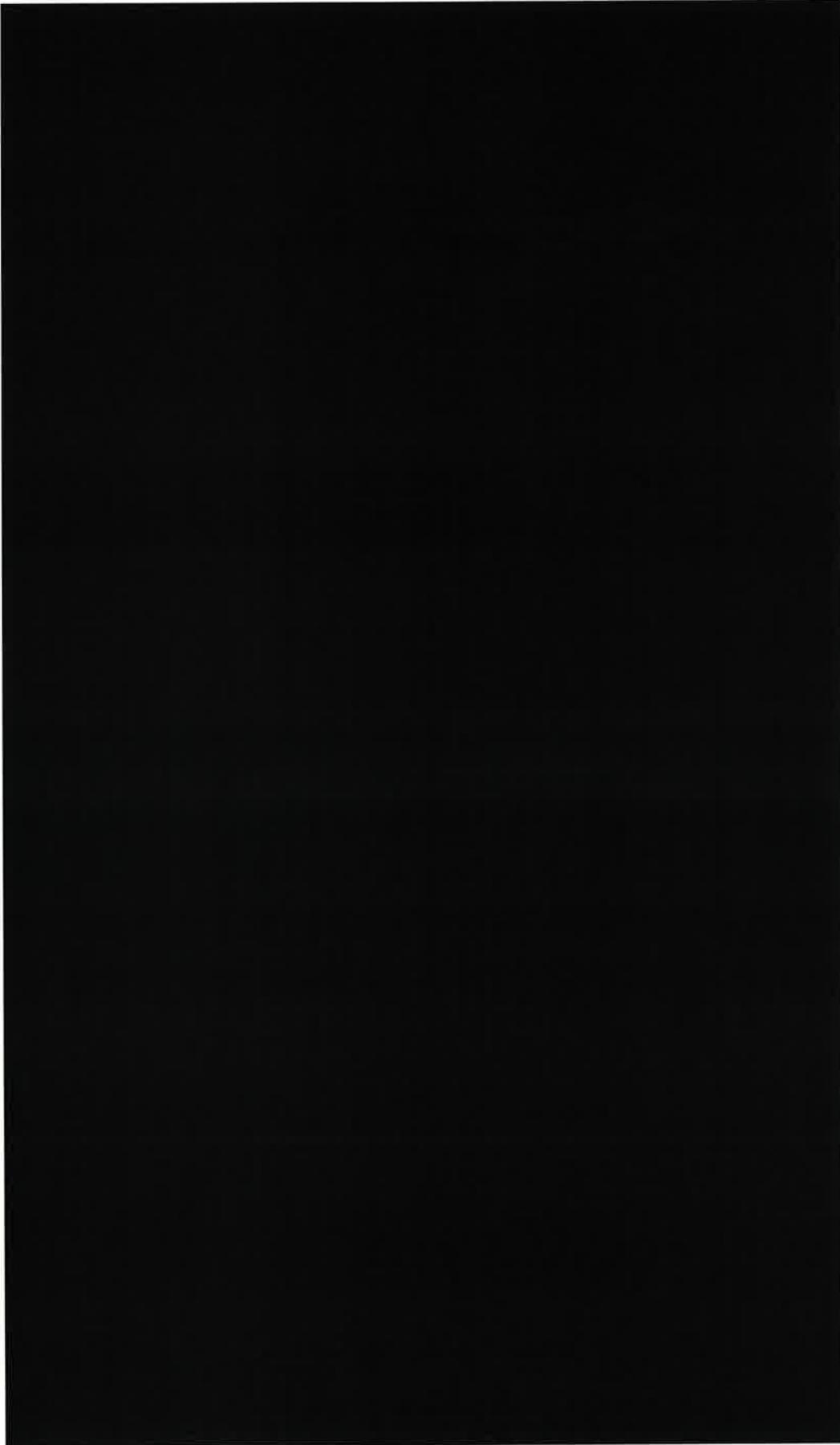
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7.4. Overview of loan contracts



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7.5. Overview loan transactions



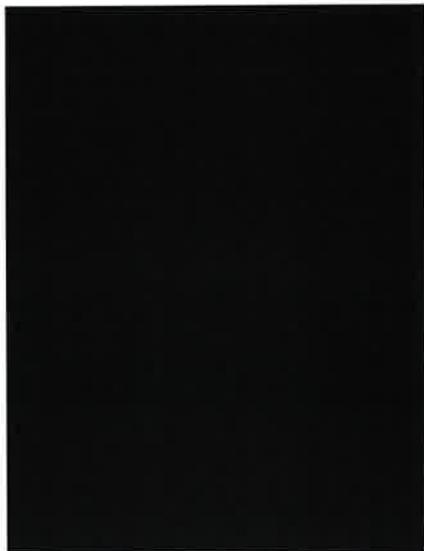
7.6. CKFL – contract details



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7.7. Asset companies



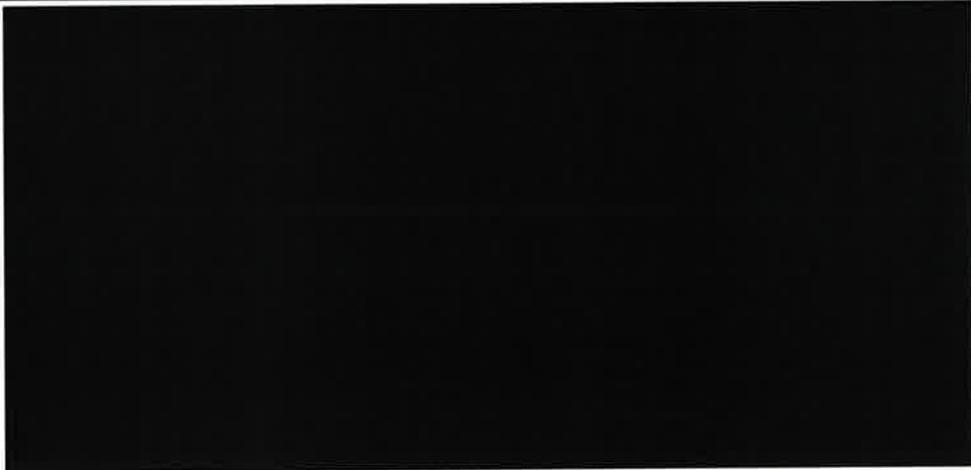
7.8. Carbo 1 Account information from credit memo



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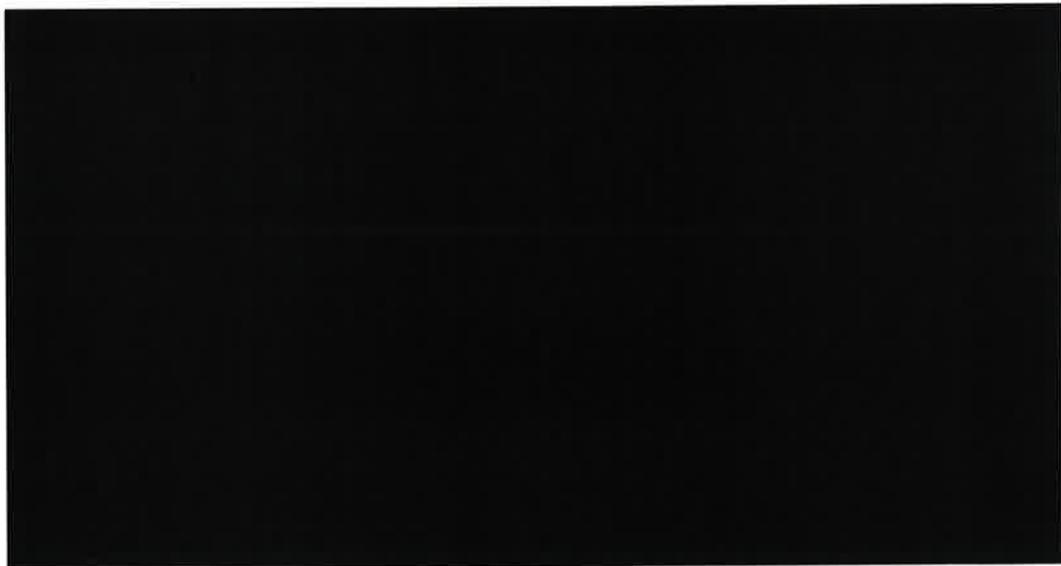
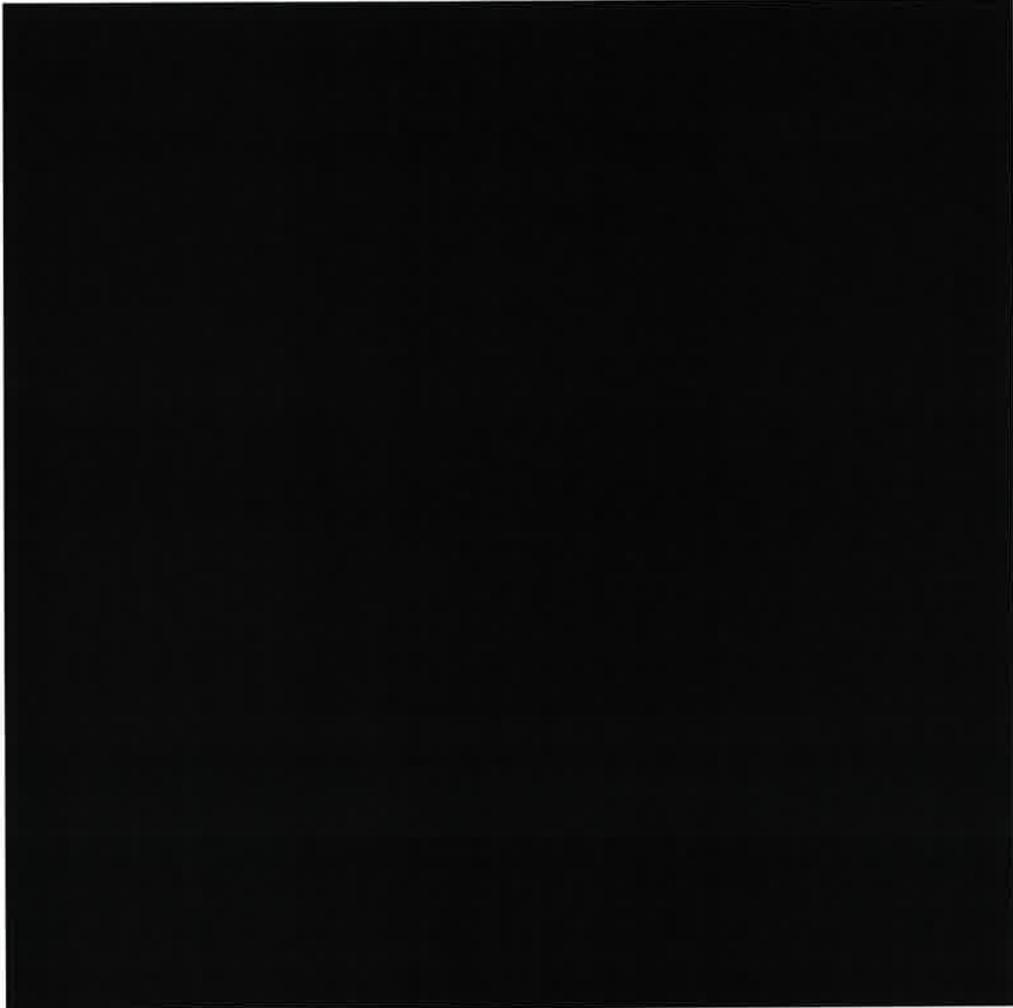
7.9. Example of loan agreements between wallet companies

7.9.1. Example A



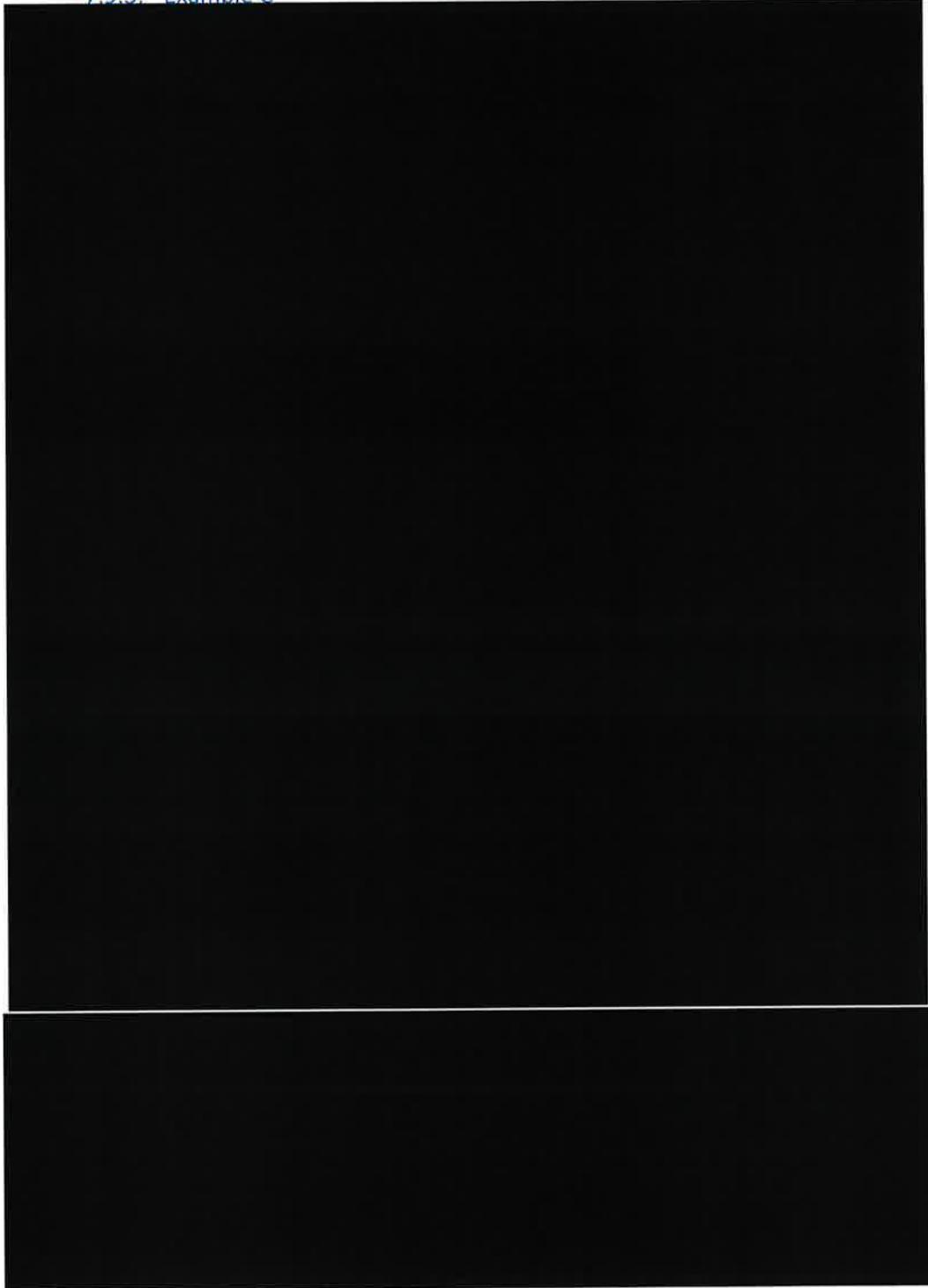
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7.9.2. Example B

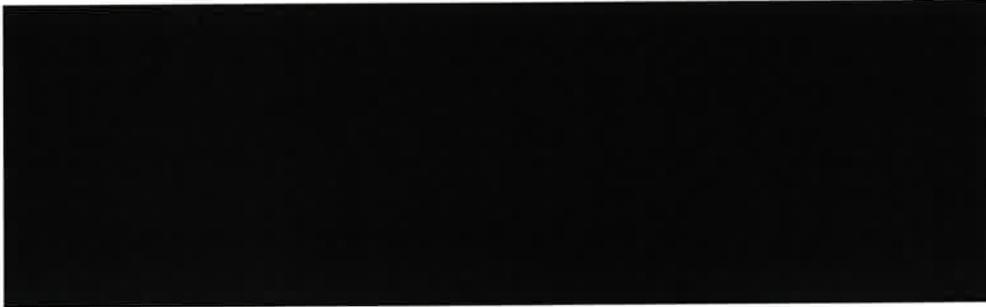


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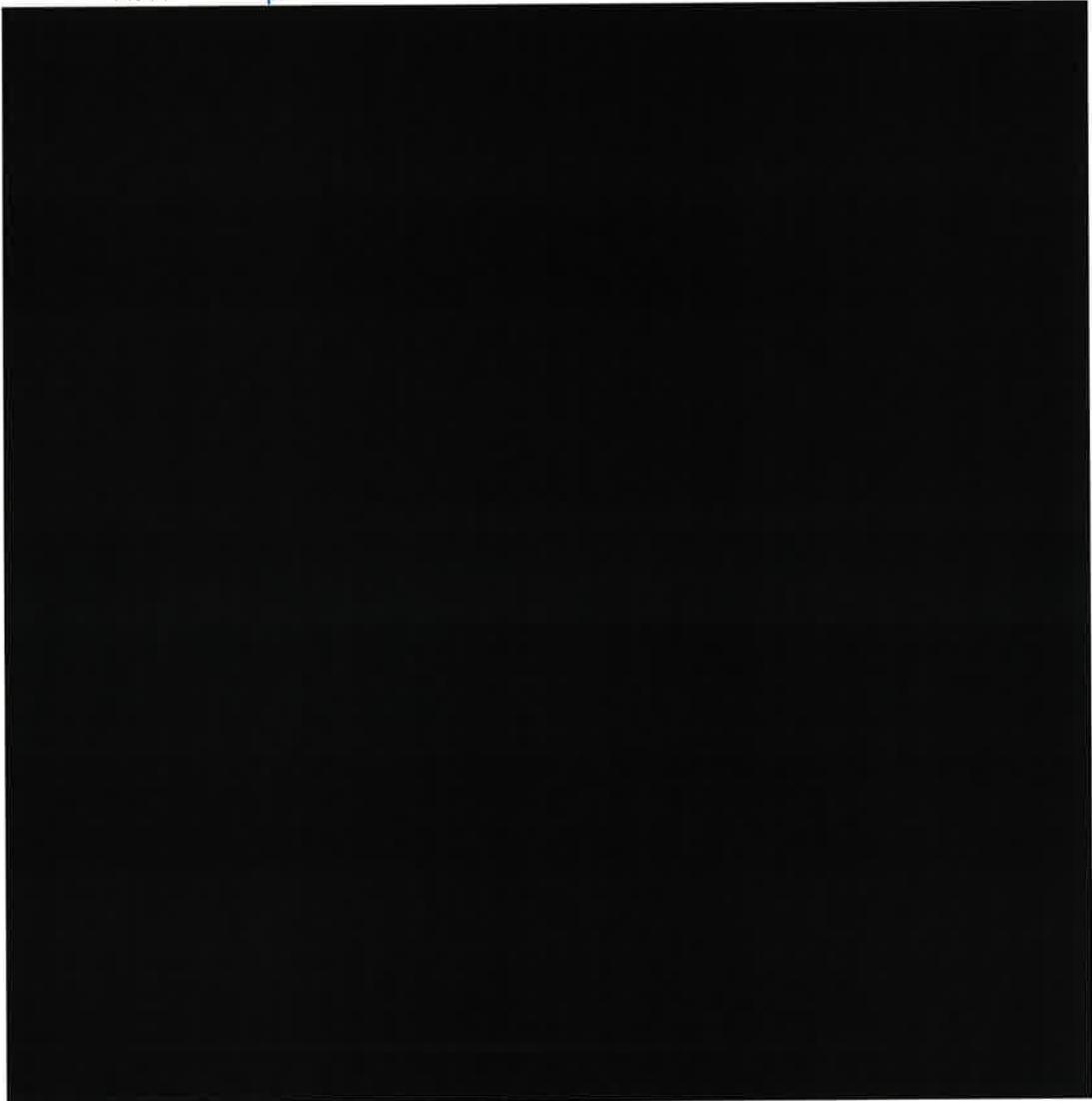
7.9.3. Example C



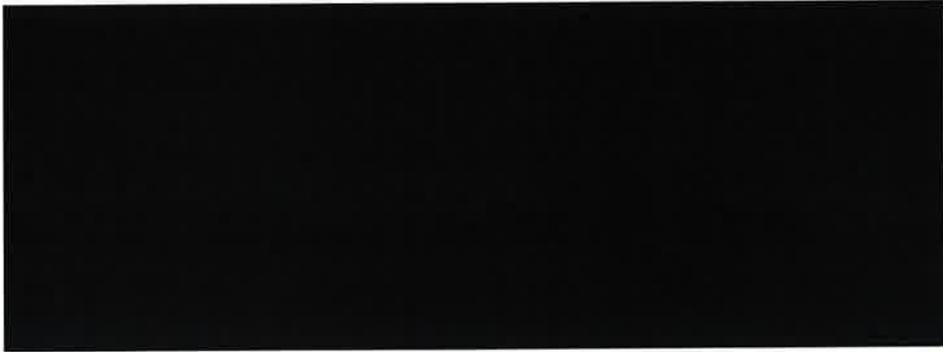
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7.9.4. Example D



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7.10. General conditions



3. CONCLUSION OF CONTRACTS



9. EXTRAORDINARY CANCELLATION OF CONTRACT



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[REDACTED]

11. FOLLOWING THE KNOW YOUR CLIENT PRINCIPLES

[REDACTED]

CONFIDENTIAL

Swedbank 2018-01-03
Andreas Hobbelin
Håkan Bengtsson

To Swedbank Group CCO

Swedbank Estonia transactions with Danske Bank and exposure to the *Magnitsky* case

Department: Group Compliance, special AML Task Force

In beginning of 2017 Group Compliance established a special AML Task Force ("AMLTF") for investigation and off-boarding of specific group of clients of Swedbank Estonia. AMLTF has since then also worked with follow up on Estonian AML issues as well as AML issues in Latvia and Lithuania.

Introduction

The purpose of this report, requested by Swedbank Chief Compliance Officer (CCO), is to address earlier unknown or not sufficiently addressed issues relating to transactions between Danske Bank Estonia (formerly known as Sampo) and Swedbank Estonia from 2008 to 2011. This report is based on recent information made available by Swedbank Estonia to AMLTF, and will also address links to the *Magnitsky* case identified during spring investigation in Swedbank Estonia. However, this report should in no way be considered as an entirely full overview of all suspicious transactions between Danske Bank Estonia and Swedbank Estonia as not all transactions between the banks that could be of relevance has been possible to extract and review. The report will also highlight certain other relevant transactions.

In the beginning of September 2017 Danske Bank was reported to be involved in the *Azerbaijani Laundromat* with transactions performed by its Estonian branch. On 21 September 2017, Danske Bank launched a press release, stating that they would expand its investigation into its Estonian branch¹. On 11 October 2017, Danske Bank launched a new press release, stating that they had been placed under investigation by the French Tribunal de Grande Instance de Paris court in relation to suspicions of money laundering concerning transactions carried out by customers of Danske Bank Estonia from 2008 to 2011², related to the *Magnitsky* case, and inherently linked to the *Russian Laundromat* and the *Billion dollar bank fraud in Moldova*. Furthermore it could be mentioned that Danske Bank accepted a fine from Danish FSA in December 2017, as reported on 21 December 2017, and relating to violation of Danish AML rules³. Also in September 2017, members of the European Parliament called for investigation into the *Azerbaijani Laundromat* and adoption of the *Magnitsky Act*⁴.

Companies/individuals mentioned below and marked in **BOLD** are or has been clients of Swedbank Estonia. And companies/individuals that are UNDERLINED are related to above mentioned ML cases without being clients of Swedbank Estonia.

Summary

Swedbank initial review of transactions between Danske Bank and Swedbank was performed by Baltic Banking Internal Anti-Financial Crime & Investigation Service (AFCIS), which performed their transaction analysis with main focus on the highlighted companies in the *Azerbaijani Laundromat*. Findings in the report from AFCIS, reveals that clients of

¹ <https://danskebank.com/news-and-insights/news-archive/press-releases/2017/pr21092017>

² <https://danskebank.com/news-and-insights/news-archive/company-announcements/2017/ca11102017>

³ <https://danskebank.com/news-and-insights/news-archive/company-announcements/2017/ca21122017>

⁴ <http://www.europarl.europa.eu/news/en/press-room/20170911IPR83516/meps-call-for-an-investigation-into-azerbaijani-laundromat>

Swedbank Estonia had performed transactions with two companies mentioned in the *Azerbaijani Laundromat* [REDACTED] and [REDACTED]. However, these payments were performed between 2012 and 2014.

AMLTF requested additional transaction data from Swedbank Estonia on all USD payments from 2008 to 2011. Due to the size of data, additional review including other currencies such as EUR will be made if findings in USD payments indicate reasons for additional analysis in other currencies and as will be agreed with Swedbank CCO. From previous investigations and transaction analysis, AMLTF has transaction data from Swedbank Estonia for the period from 2012 until February 2017 on a specific group of former clients belonging to what is known in the Bank as the *Focus Clients* or [REDACTED], which is also related to the former LC&I client [REDACTED]. The *Focus Clients* has performed several of hundreds of incoming and outgoing payments with clients of Danske Bank also from 2008 and 2011.

In addition to transaction data, request was made to Swedbank Estonia to provide any underlying documents based on request from authorities, corresponding banks or law firms relating to the *Magnitsky case*. Swedbank Estonia provided two internal documents from March 2013 showing previous efforts performed by the Bank. One document named *Payments from Clients of Sampo related to Magnitsky.doc* showed 8 Swedbank Estonia clients performing transactions with clients of Danske Bank Estonia reportedly linked to the *Magnitsky case*. And another document named *MEMO Magnitsky.pdf*, created on 3 March 2013 by local AML Officer Swedbank Estonia and Head of Compliance & Operational Risk, Baltic Banking, revealed certain direct links to companies in the *Magnitsky case*.

During 2008-2011, there were 6.667 incoming payments (USD 2.222 759 481) from clients of Danske Bank to clients of Swedbank Estonia, and 3.788 outgoing payments (USD 1 951 342 465) from Swedbank Estonia clients to clients of Danske Bank Estonia. 235 clients were incorporated in the following low tax jurisdictions (offshore and onshore); Switzerland, Belize, Dominica, Switzerland, Cyprus, Gibraltar, Hong Kong, Isle of Man, St. Kitts & Nevis, Luxembourg, Marshall Islands, Malta, Panama, Seychelles, Singapore, St. Vincent & Grenadines, British Virgin Islands. In respect of those offshore and onshore clients, there were 2.278 outgoing payments (USD 1 785 424 355) to clients of Danske Bank, and 1.955 incoming payments (USD 1 666 710 716) from clients in Danske Bank to clients in Swedbank Estonia. Majority of Danske Bank clients were companies incorporated in low tax jurisdictions or LP/LLPs controlled by offshore companies. A majority of both the clients of Swedbank Estonia and of Danske Bank Estonia have limited visible business activity, most probably just functioning as shell companies.

Findings

A. Danske Bank clients exposure to Magnitsky case

According to the *Azerbaijani Laundromat*, the following UK companies had accounts with Danske Bank Estonia; [REDACTED]

[REDACTED] has [REDACTED] and [REDACTED] as General Partners; both companies have been identified as having one [REDACTED] as beneficial owner.¹² [REDACTED] is identified as owner and co-owner in former Swedbank Estonia clients [REDACTED] and [REDACTED] with links to sanctioned companies controlled by sanctioned individual [REDACTED] is also linked to the company [REDACTED] a company mentioned in articles and open sources as holding shares in [REDACTED]

[Redacted]

B. Swedbank Estonia clients exposure to Magnitsky case

[Redacted]

[Redacted]

[Redacted]

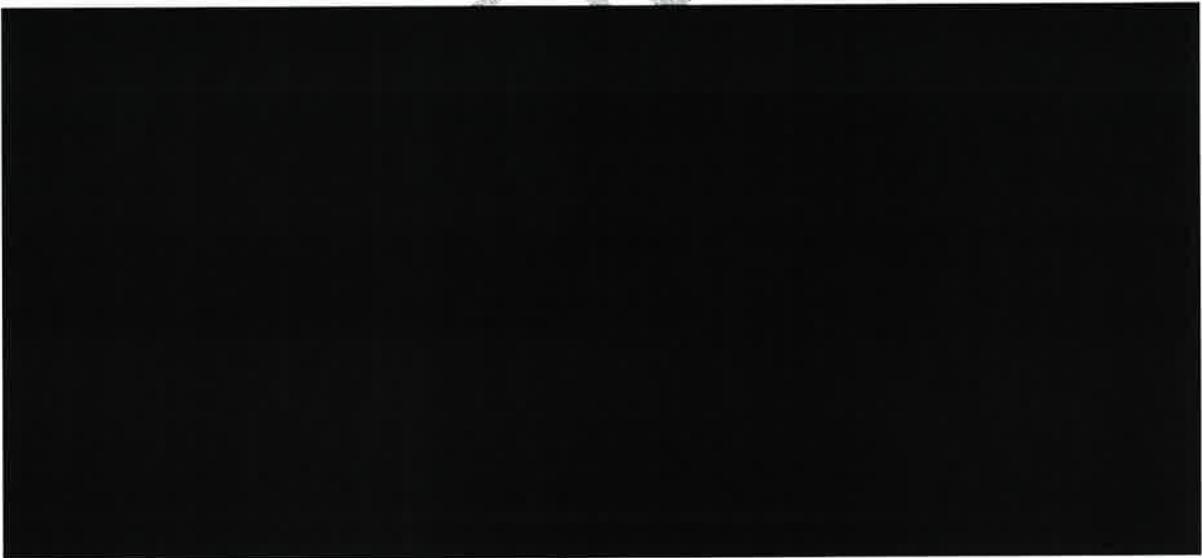
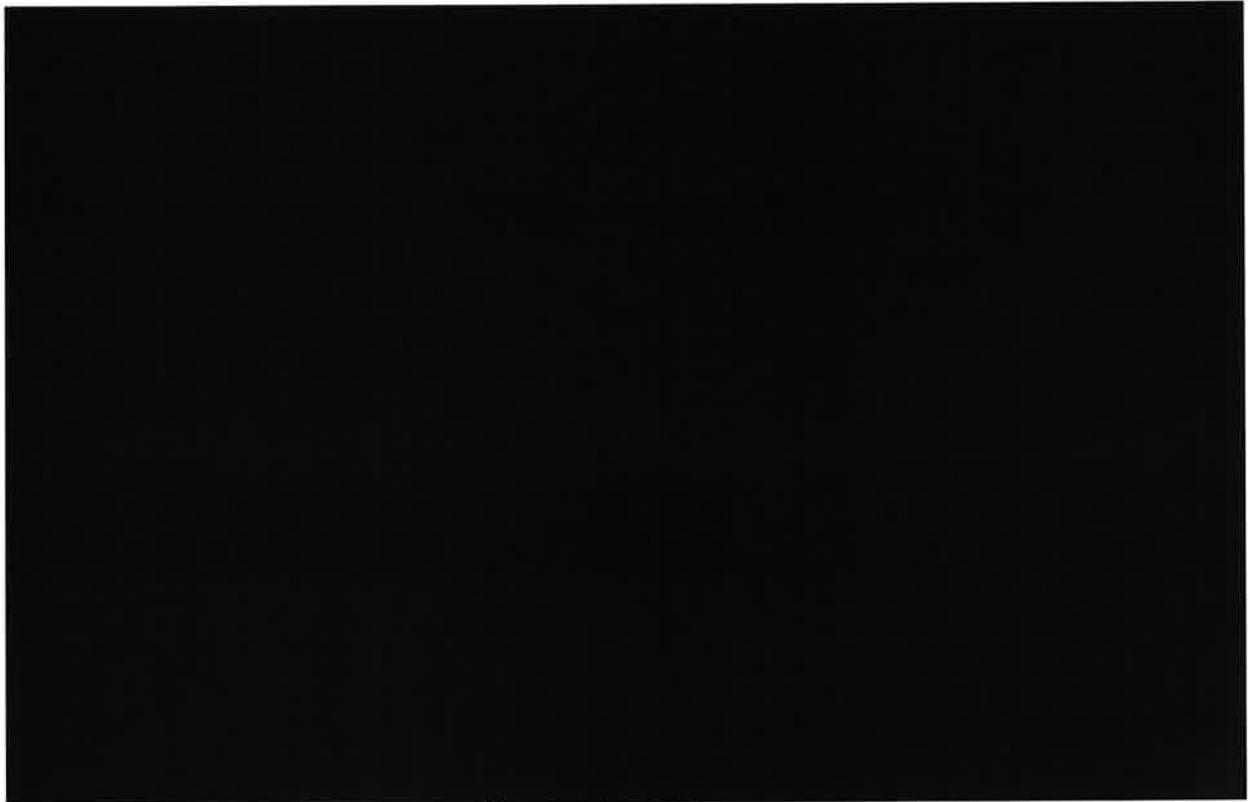
[Redacted]

A
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A
b
IN
M

[Redacted]

[Redacted]

The following companies and transactions have been identified:



[Redacted]

[Redacted]

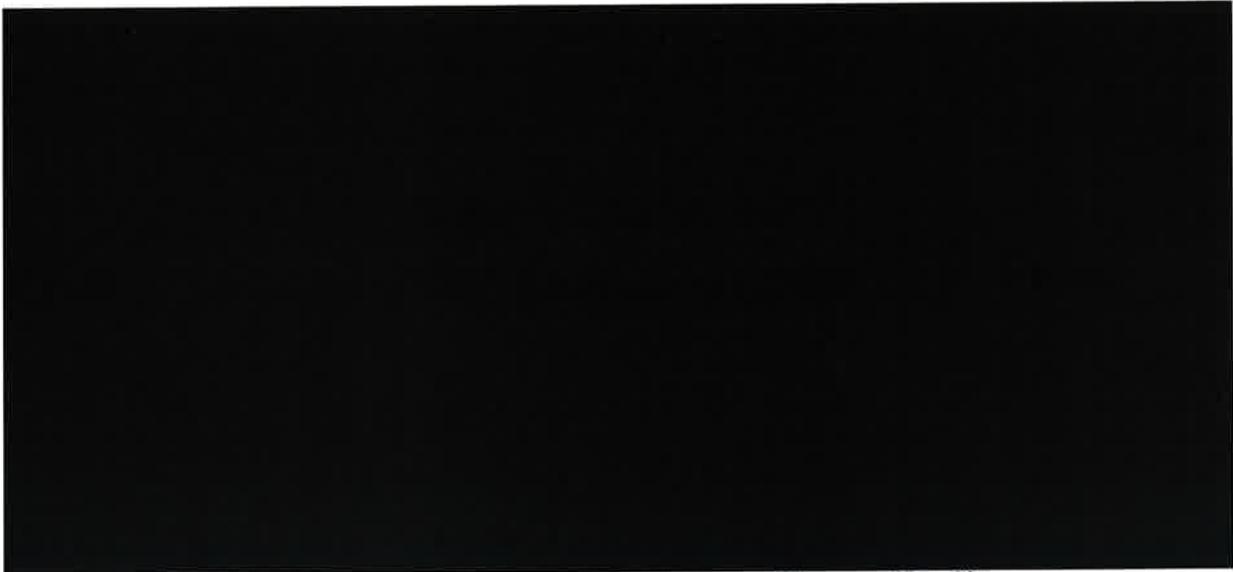
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]



Conclusion

Based on the performed review and currently available information and transactions, it could be concluded as follows;

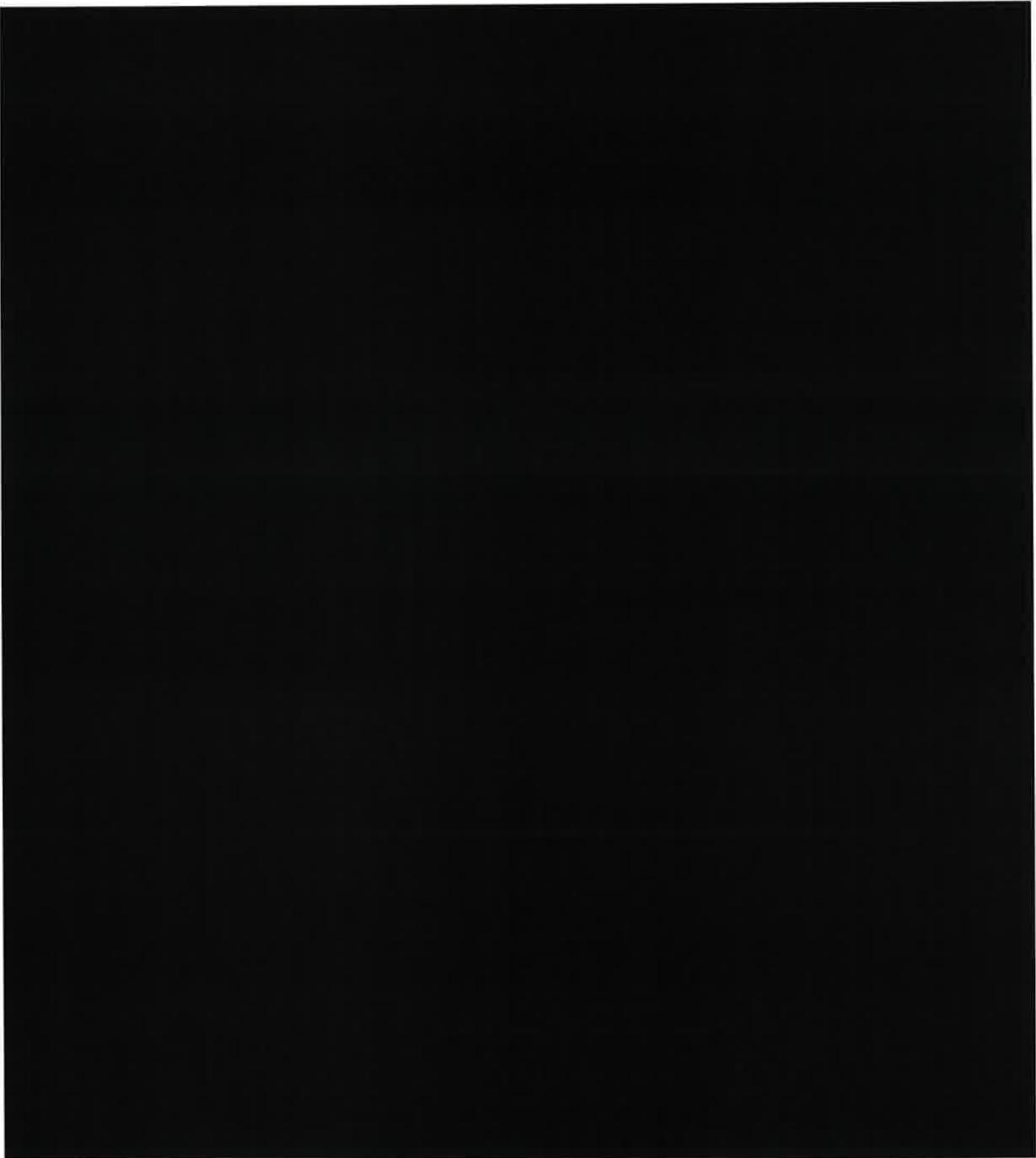
1. The review of transactions between Swedbank Estonia and Danske Bank Estonia during 2008 – 2011 shows several direct links to companies/parties being linked to the Magnitsky case (and other ML cases).
2. There are certain facts that could lead to the conclusion that several transactions most probably could have been seen as suspicious, and thus to be reported to FIU, if those would have been scrutinized at the time for execution. In this respect it seems obvious that the bank didn't monitor and investigate high risk transactions in a sufficient way.
3. Based on the material that we currently have been able to extract there are no clear evidence that obviously shows that the transactions between Swedbank Estonia and Danske Bank Estonia are directly linked to transferring of money in the Magnitsky case, however there are several transactions between companies linked to the case which per se indicates that there could be connections to the Magnitsky case and/or other illegitimate money involved in the transactions. On the other hand it could be that the counterparties had legitimate business between themselves or that it could be suspicious transactions based on other assumptions than the link to the Magnitsky case.

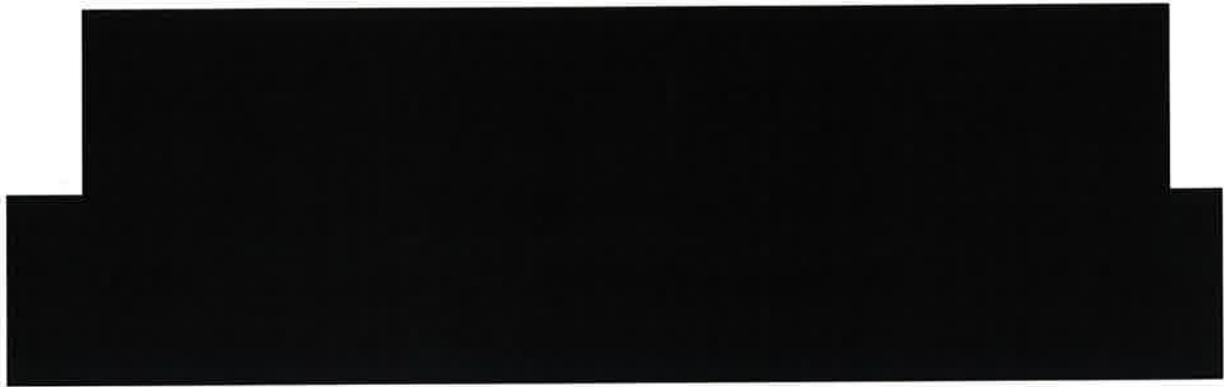


Amendment

To the report re Swedbank Estonia transactions with Danske Bank and exposure to the Magnitsky case, dated 2018-01-03, to Swedbank Group CCO

This amendment is meant as a clarification of findings in the report *Swedbank Estonia transactions with Danske Bank and exposure to the Magnitsky case* and as regards the questions if certain mentioned counterparties are still clients of the bank or off-boarded since earlier.





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From: Håkan Bengtsson <hakan.bengtsson@swedbank.com>
Sent: 2018-08-13 12:52:01 +0000
To: Mads Blomfeldt <Mads.Blomfeldt@bdo.no>; Andreas Hobbelin <andreas.hobbelin@swedbank.no>
Subject: RE: Sendt fra Utklippetsverktøy
Attachments: 20180711 - Memo on new names in media - Danske.pdf

Enl tel

From: Mads Blomfeldt [mailto:Mads.Blomfeldt@bdo.no]
Sent: den 13 august 2018 14:35
To: Andreas Hobbelin; Håkan Bengtsson
Subject: Sendt fra Utklippetsverktøy

Message Headers:

Received: from SRV63092.fspa.myntet.se (10.8.33.65) by SRV63093.fspa.myntet.se (10.8.31.66) with Microsoft SMTP Server (TLS) id 15.0.1365.1 via Mailbox Transport; Mon, 13 Aug 2018 14:52:02 +0200
Received: from SRV62318.fspa.myntet.se (10.8.33.61) by SRV63092.fspa.myntet.se (10.8.33.65) with Microsoft SMTP Server (TLS) id 15.0.1365.1; Mon, 13 Aug 2018 14:52:01 +0200
Received: from SRV62318.fspa.myntet.se ([fe80::498e:aaa8:7bdb:d9ba]) by SRV62318.fspa.myntet.se ([fe80::498e:aaa8:7bdb:d9ba%21]) with mapl id 15.00.1365.000; Mon, 13 Aug 2018 14:52:01 +0200
Content-Type: application/ms-tnef; name="winmail.dat"
Content-Transfer-Encoding: binary
From: Håkan Bengtsson <hakan.bengtsson@swedbank.com>
To: Mads Blomfeldt <Mads.Blomfeldt@bdo.no>, Andreas Hobbelin <andreas.hobbelin@swedbank.no>
Subject: RE: Sendt fra Utklippetsverktøy
Thread-Topic: Sendt fra Utklippetsverktøy
Thread-Index: AdQzAetUK+9kR1WfSAOZvDAEsX3L9QAAnIAA
Date: Mon, 13 Aug 2018 14:52:01 +0200
Message-ID: <1e75eb6805a64145b8958b65ec323491@SRV62318.fspa.myntet.se>
References: <AM4PR0501MB1971BC296AD2745F0B7869F9FA390@AM4PR0501MB1971.eurprd05.prod.outlook.com>
In-Reply-To: <AM4PR0501MB1971BC296AD2745F0B7869F9FA390@AM4PR0501MB1971.eurprd05.prod.outlook.com>
Accept-Language: sv-SE, en-US
Content-Language: en-US
X-MS-Has-Attach: yes
X-MS-Exchange-Organization-SCL: -1
X-MS-TNEF-Correlator: <1e75eb6805a64145b8958b65ec323491@SRV62318.fspa.myntet.se>
MIME-Version: 1.0
X-MS-Exchange-Transport-FromEntityHeader: Hosted
X-MS-Exchange-Organization-MessageDirectionality: Originating
X-MS-Exchange-Organization-AuthSource: SRV62318.fspa.myntet.se
X-MS-Exchange-Organization-AuthAs: Internal
X-MS-Exchange-Organization-AuthMechanism: 04
X-Originating-IP: [10.8.33.6]
X-MS-Exchange-Organization-Network-Message-Id: 7e109c5f-6bf1-421a-60db-08d6011b9075
Return-Path: hakan.bengtsson@swedbank.com



Danske Bank involvement in money laundering schemes – new links

Internal Memo/Confidential

Receivers:

Head of Baltic Banking
CEO's of Swedbank Estonia, Latvia, Lithuania
Head of GSI Investigations
Head of GSI Investigations Baltics

Prepared by:

GSI Investigations Baltics
2018-07-11

SUMMARY

Media corporations published in the beginning of July 2018 new articles regarding Danske Bank involvement in money laundering schemes.

In addition to historical media coverage back from 2017 following company names were mentioned as new:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

None of abovementioned entities have been direct customers of Swedbank Baltic entities.

In order to assess Swedbank involvement GSI conducted the counterparty search 01.01.2007 until 05.07.2018 and identified that:

- Swedbank customers received 13 incoming payments from
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- Period of named payments was May 2007 until August 2008;
- Total amount across Baltics was 1,061,394 EUR out of which Estonia received 883,000 EUR;
- In all cases counterparty bank was Danske Bank Estonian branch.

Background

In the beginning of July 2018 in media there was a new article regarding Danske Bank involvement in money laundering schemes.

Source:

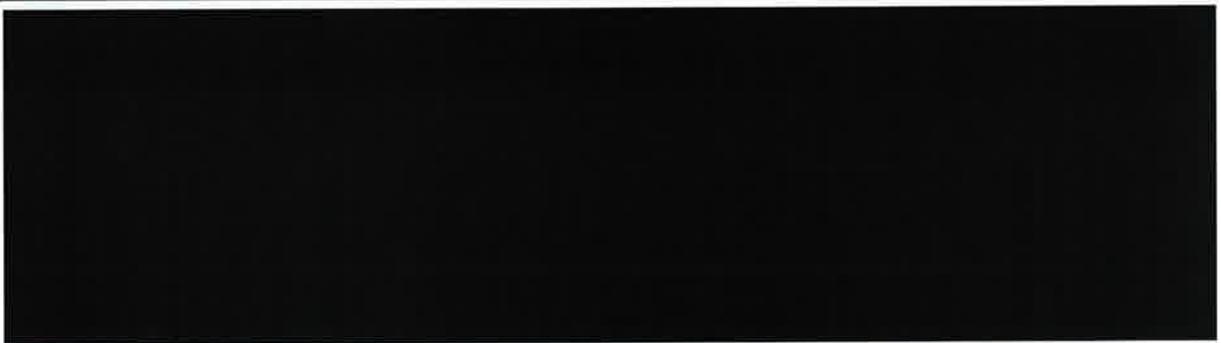
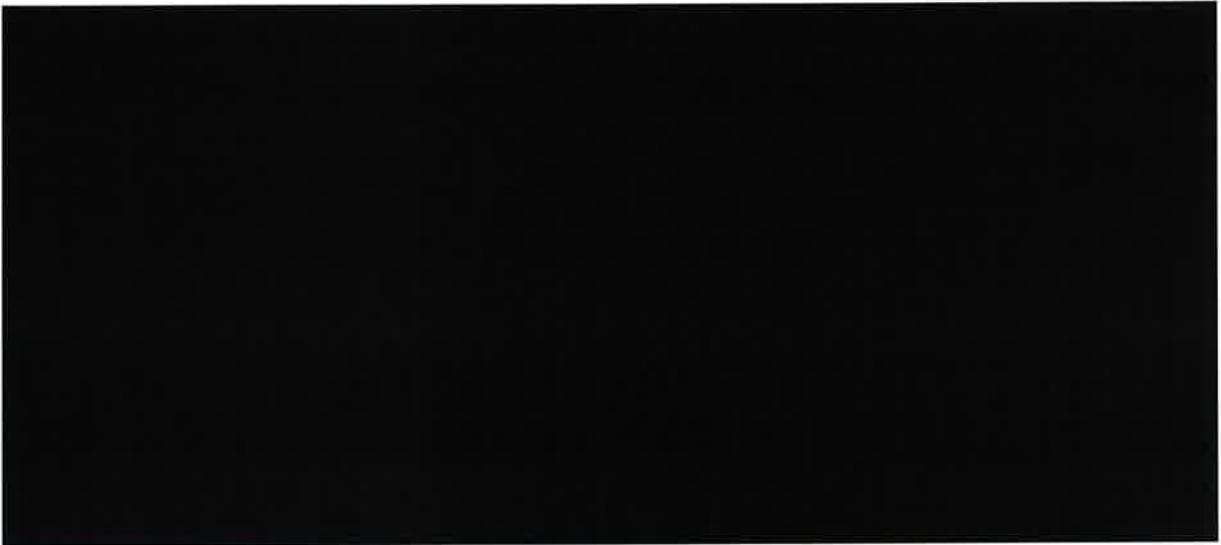
[REDACTED]

In addition to historical media coverage back from 2017 following names were mentioned:

[REDACTED]



Outcome in more detail



Next steps



STRICTLY CONFIDENTIAL – NOT TO BE SHARED WITHOUT THE EXPLICIT CONSENT OF THE CEO

Baltic Banking's exposure mainly related to Danske Bank Estonia case

Receiver:

The CEO of Swedbank AB,
The Head of BA Baltic Banking,
The CRO of Swedbank AB, and
The Head of CEO Office in the role of Specially Appointed Executive

Date: 2018-07-12

Prepared by:

Swedbank Compliance

Summary

- Since the fine of Deutsche Bank by the US and UK authorities, Compliance has focused on following media articles to be able to be proactive and not be caught by surprise, should the investigation starting with Deutsche Bank contain transactions relating to Swedbank¹. The Deutsche bank decisions did not reveal much information to go on. However, due to the extended internal investigation initiated by Danske Bank Group of its Estonian branch as described in several media articles, Compliance initiated investigation in 2018 into possible links between Baltic Banking and Danske Bank Estonia (DBE). The purpose of the investigation was to identify transactions between clients of Baltic Banking and DBE clients that are considered questionable or suspicious from an ML/TF/Financial Sanction perspective.
- The main resources used have been two employees directly reporting to the Chief Compliance Officer, the special AML Task Force (GCAMLTF). This report is a comprehensive summary of Baltic Banking's exposure to DBE and certain issues related to ABLV and FBME. The latter, a bank that was finally closed down after US accused the bank for large scale money laundering, and links to illegal arms trade.
- The DBE investigation shows that between 2007 and 2015, clients of Baltic Banking performed 15 902 transactions with questionable and/or suspicious counterparties of DBE, to the amount of incoming EUR 618 953 225 and USD 105 822 186 and outgoing EUR 1 422 574 588 and USD 2 654 210 307. The peak of these transactions was between 2011 and 2013, whereof 10 725 transactions were performed.
- In addition, to performing questionable and/or suspicious transactions, many of the clients of Baltic Banking performing these transactions, were incorporated themselves in offshore jurisdictions and considered as questionable, majority of offshore clients already off-boarded. However, many domestic clients have also performed transactions with questionable and/or suspicious counterparties of DBE.
- The majority and the biggest amounts of questionable and/or suspicious transactions are made by clients of Swedbank Estonia. However there seems to be different kind of modus operandi between the three Baltic countries depending on currency, incoming or outgoing payments and type of counterparties (e.g., LP/LLP, LTD or similar).
- The large exposure of USD payments to questionable and/or suspicious counterparties, many with links to Mossack Fonseca, and other alleged money laundering, corruption, fraud and illegal arms trade cases, increases the risk for Swedbank to be approached by US authorities.
- In addition, the amount of incoming and outgoing payments between Baltic Banking, in particularly Swedbank Estonia and DBE, can increase the risk for Swedbank to be approach both by Estonian and Danish authorities given the recent media articles indicating a very high amount of money being allegedly

¹ The decisions vs. Deutsche Bank particularly pointed out Estonia as problematic.

laundered via DBE.

- In order to mitigate any potential risk that could follow from Baltic Banking's exposure to the DBE case, including negative risks on Swedbank's reputation and negative consequences for correspondent banking relationships and funding, Swedbank Compliance recommends a number of actions including inter alia further investigation of some clients in order to assess if FIU filing is needed, implementation of LP/LLP scenarios in the transaction monitoring system Nice Actimize as soon as possible and establish a communication plan. The detailed recommendations are set out below.
- Due to the sensitivity of the content of this memo, no client names are set out, but they are of course available from Compliance. Also due to the sensitivity of the content of this memo, it cannot be shared without the explicit consent of the CEO.²

1. Background and scope

1.1 Group Compliance, special AML Task Force

Early 2017 Compliance established GCAMLTF for investigation and off-boarding of specific groups of clients of Swedbank Estonia, internally known as project Clear³. Project Clear was closed in 31 May, 2017 and involved very few Swedbank employees and a few external well known specialists within the area of financial crime.

Since then work with follow up on Estonian AML issues as well as AML issues in Latvia and Lithuania has been carried out. Hence, since June 2017, GCAMLTF has initiated on-site AML workshops/sessions⁴ and has analyzed parts of the client portfolios within all Baltic countries, discussing and advising on the overall money laundering risk in each country's client portfolio. The work has also included detailed assessments of the money laundering risks within hundreds of clients, including advising on off-boarding of clients, enhanced EDD, mitigating actions and analysis etc. Due to findings, GCAMLTF thus initiated and supported the development of a Baltic Banking Money Laundering Risk Portfolio Analysis⁵.

Since January 2018, GCAMLTF has monitored⁶ and performed transaction analysis on foreign payments in Baltic Banking⁷, for the purpose of following up on the progress of AML work related to specific transactions⁸.

In addition, work was initiated to scrutinize clients and/or transactions due to negative media articles, such as DBE, ABLV bank and FBME bank and certain other issues that have been identified during the work.

Due to the amount of work related to the compliance and money laundering risks in Baltic Banking and the fact that it is perceived as difficult to involve local staff – before more facts are on the table – due the structures and potential conflicts of interest between different external/internal stakeholders, most of the work has been performed by GCAMLTF outside normal tasks and normal working hours.

1.2 Scope

Due to the extended internal investigation initiated by DBE as described by Press Releases from DBE, a transaction analysis mirroring the same time period was initiated by Compliance. The purpose of the investigation was to address earlier unknown or not sufficiently addressed issues relating to transactions between DBE and Swedbank Estonia, Latvia and Lithuania between 2007 to 2015.

The investigation is based on transaction data made available by Baltic Banking to GCAMLTF during the

² Compliance staff involved in preparing this memo is in total four.

³ Also known as "Focus clients". All actions in project Clear have been documented, including IT logs etc., and analysis have been stored at a special server where only a very few limited employees have been given authorization as precautionary measures. The documentation is stored within Group Information Security.

⁴ Mainly performed by Håkan Bengtsson and Andreas Hobbelin supported with the GSI employee Sven Kivvistik.

⁵ Not to be confused with the Baltic ML Risk Assessment, however the ML Risk Portfolio Analysis shall give input to the Risk Assessment.

⁶ Post-transactions, not related to the AML Compliance transaction monitoring of Nice Actimize alerts.

⁷ Per month.

⁸ Focusing on LP/LLP and offshore companies.



spring/summer of 2018. In order to identify transactions between the clients of Baltic Banking and the clients of DBE that are considered questionable or suspicious from an ML/TF/Financial Sanction perspective, the following high risk indicators have been used:

- Companies with no or limited visible business activity or a business activity that could not be identified
- Companies incorporated in offshore/onshore jurisdictions (including also Hong Kong and Delaware)
- Companies controlled by offshore companies with no or limited business activity (including UK legal entities, e.g., Limited Liability Partnership "LLP" and Limited Partnership "LP")
- Companies incorporated in UK and New Zealand with proxy/nominee Directors and/or shareholders
- Companies profiled in Panama Papers and with links to Mossack Fonseca
- Companies profiled in Offshore Leaks, Paradise Papers, Bahamas Leaks, or Swiss Leaks
- Companies with links to money laundering, corruption, fraud and illegal arms trade cases⁹
- Transactions related to project Clear
- Large single transactions

In this context it is also essential to understand the magnitude of the information retrieved, which correspond to 141 557 KB, where the tools to analyze this kind of information is inadequate and has been made by in excel.

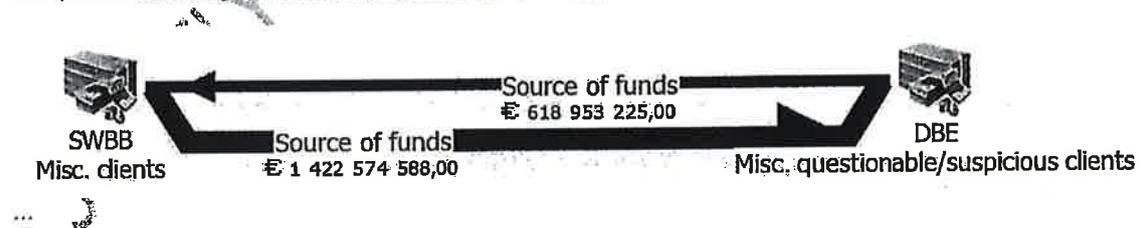
This report should not be considered as an entirely full overview or in-depth scrutiny of all suspicious/questionable transactions between DBE and Baltic Banking as not all transactions between the banks that could be of relevance have been possible to extract and review together with underlying documents supporting the transactions. The main focus of the investigation has therefore been to check the counterparties of DBE.

Furthermore, the report does not contain or has the intention to contain a detailed description of each transaction that is considered as questionable and/or suspicious. Detailed descriptions on underlying transactions considered as questionable¹⁰ and/or suspicious can be given on request and will then be presented in the form of xlsx sheets in personal meetings. However, some selected case examples will be shown in the report in order to understand the context.

2. Result

2.1 Overall result of the investigation

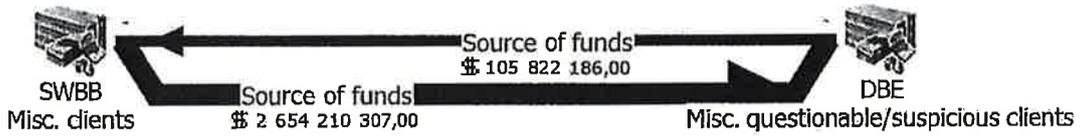
Between 2007 and 2015, Baltic Banking clients¹¹ performed 15 902 transactions with questionable and/or suspicious counterparties of DBE, to the amount of incoming EUR 618 953 225 and USD 105 822 186 and outgoing EUR 1 422 574 588 and USD 2 654 210 307. The peak of these transactions was between 2011 and 2013, whereof 10 725 transactions were performed. This could be compared to the DBE money laundering case, which according to recent leaks is estimated to be approx. EUR 7.5-8 bn.



⁹ Russian Laundromat, Azerbaijani Laundromat, Magnitsky case, Moldova Bank Fraud, Deutsche Mirror Trade, Odessa Network or other adverse publicity cases

¹⁰ Questionable clients' means companies with either no or limited visible business activity, or could not be identified, or incorporated in offshore/onshore jurisdictions, or controlled by offshore companies or incorporated in UK (e.g., LP/LLP, LTD), or New Zealand with proxy/nominee directors and/or secretary, or incorporated in Hong Kong and Delaware with no information on Directors/owners or other visible business activity, or profiled in e.g., Panama Papers (Mossack Fonseca), Offshore Leaks, Bahamas Leaks, Paradise Papers, Swiss Leaks.

¹¹ Domestic and foreign.



In addition to performing questionable and/or suspicious transactions, many of the clients of Baltic Banking performing these transactions, where incorporated themselves in offshore jurisdictions and considered as questionable. The most frequently offshore jurisdictions found to be used by clients are British Virgin Islands, Belize, Marshall Island, Seychelles, Panama, Cyprus, and St. Kitts and Nevis. Other jurisdictions have also been New Zealand, UK, Hong Kong, and US low tax-low transparency states Delaware, Oregon and Nevada, as well as Canada.

The following sections (2.2-2.7) will provide more detailed information of what has been seen in the investigation in relation to different customer and transaction segments.

2.2 UK counterparties with legal form Limited



Case examples



2.3 New Zealand companies



Case examples





It could also be noted that there are several transactions with UK "LTD" companies linked to [REDACTED] and [REDACTED] or proxies/nominees used by [REDACTED]

2.4 BVI incorporated companies

BVI incorporated companies are found to be frequently used both in clients of Baltic Banking and clients of DBE, many of these BVI companies are profiled in the database of the International Consortium of Investigative Journalists (ICIJ)²⁵ under Panama Papers, Offshore Leaks, Bahamas Leaks, Paradise Papers, and Swiss Leaks. However, the majority of findings relates to companies profiled in Panama Papers and Offshore Leaks. Companies/individuals profiled in Panama Papers are linked to Mossack Fonseca, and in Offshore Leaks to Commonwealth Trust Ltd., which in many cases are linked to Unitrust Corporate Services and International Offshore Services (IOS) and are similar to Mossack Fonseca²⁶

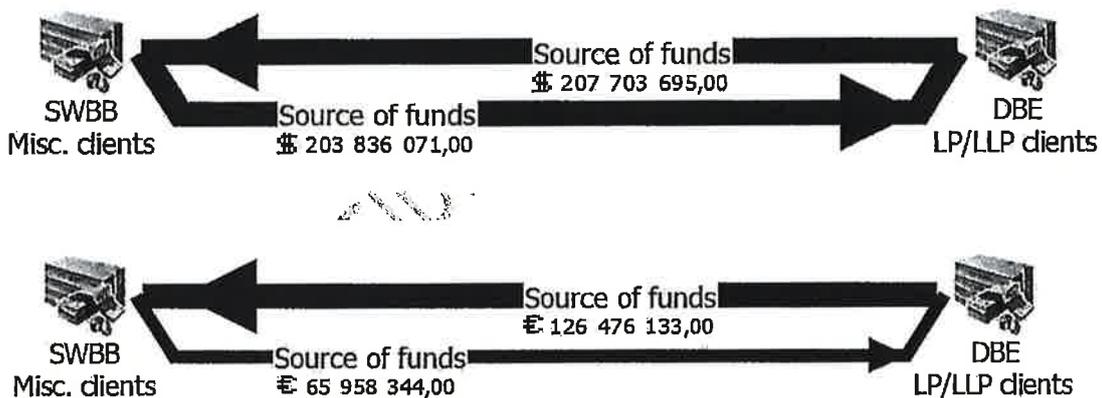
Case example Mossack Fonseca



2.5 LP/LLP companies

UK and Scottish Limited Liability Partnership ("LP", "LLP") companies have been reported by media and other bodies such as Transparency International³⁵ and the UK National Risk Assessment³⁶, as frequently used as vehicles for money laundering, fraud, corruption and illegal arms trade cases in several cases recent years. They are commonly used with proxy/nominee individuals both as Directors and Persons of Significant Control ("PSC"), and proxy/nominee shell companies being incorporated in offshore jurisdictions as General Partners. This non-transparent setup, often with the use of the same proxy/nominee individuals or offshore/shell companies, makes clients transactions with suspicious LP/LLP counterparties difficult to disprove. In addition to the money laundering risk connected with LP/LLP companies, this non-transparent setup that conceal beneficial owners can also be used to avoid sanctions³⁷.

Between 2007 and 2015, several of hundreds of clients³⁸ of Baltic Banking performed transactions with LP/LLP counterparties of DBE, with a total amount of outgoing EUR 65 958 344 and USD 203 836 071, and incoming EUR 126 476 133 and USD 207 703 695. The majority of these LP/LLPs are controlled by offshore companies³⁹ linked to alleged money laundering, corruption, fraud and illegal arms trade cases⁴⁰.



Furthermore the investigation has identified 12 clients of Baltic Banking, the majority of these clients belonging to Swedbank Estonia with the UK legal form Limited Partnership "LP" and "Limited Liability Partnership "LLP". Between 2007 and 2015, these 12 LP/LLP clients of Baltic Banking performed transactions with questionable and/or suspicious counterparties of DBE, to the amount of outgoing EUR 3 192 957 and USD 24 236 205 and



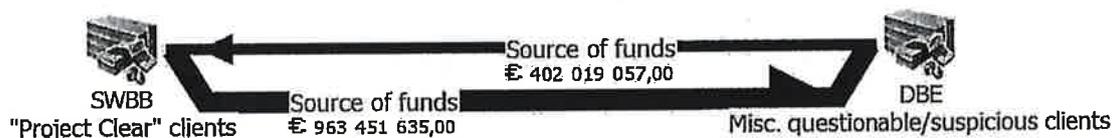
incoming EUR 13855 148 and USD 15 427 552. The majority of these clients are being controlled by offshore companies involved in alleged money laundering, corruption, fraud and illegal arms trade cases.

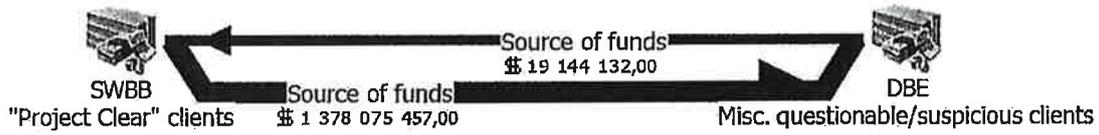
Case examples



2.6 Transactions related to project Clear

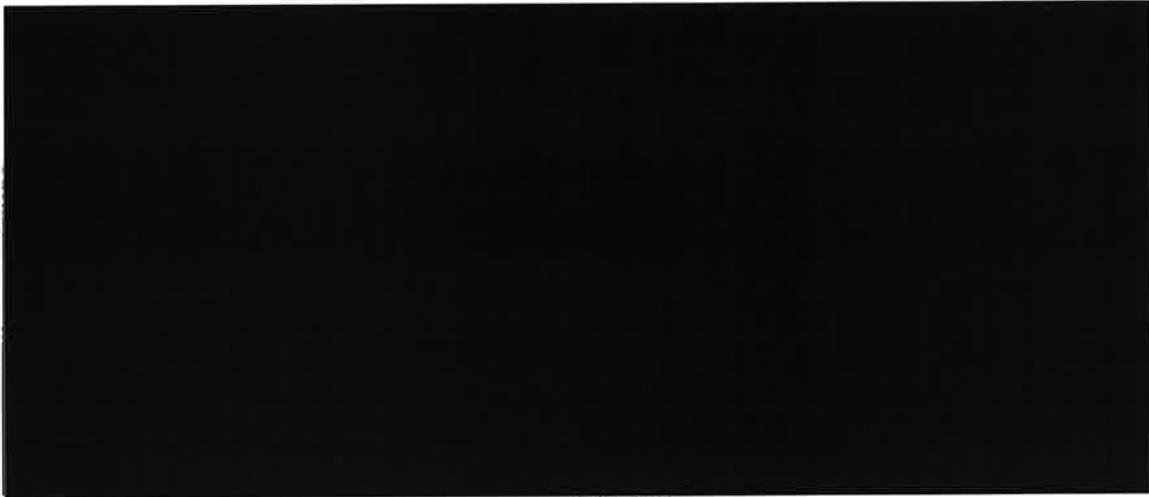
Between 2007 and 2015, project Clear clients, being clients of Swedbank Estonia, have performed 1599 transactions with clients of DBE that are considered as questionable and/or suspicious, to the amount of outgoing USD 1 378 075 457 and EUR 963 451 635, and incoming USD 19 144 132 and EUR 402 019 057. Transactions performed by these companies have been both to questionable and/or suspicious counterparties in DBE, as well as to other project Clear companies with accounts in DBE.





The transactions illustrated below examples were not discovered in Project Clear due to the amount of information and the fact that some companies had already left the bank, as part of the increased attention of the Group towards the companies involved in project Clear, which involved more than 200 companies.

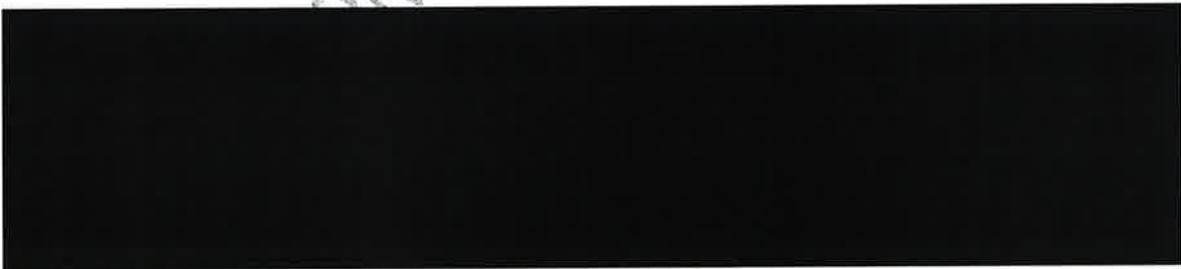
Case examples



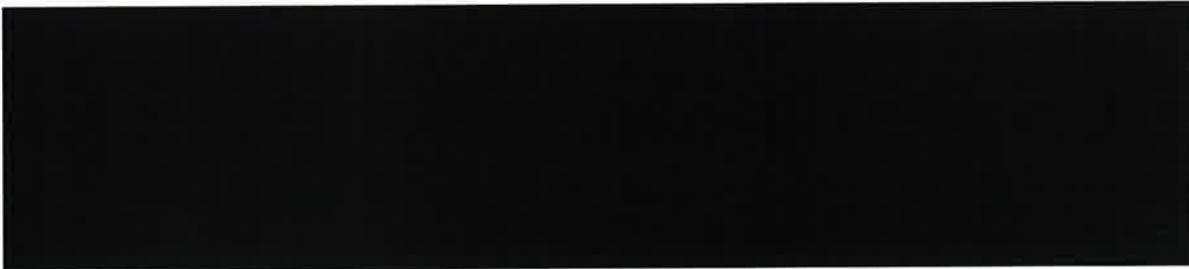
2.7 Large single transactions

Between 2007 and 2015, several large payments have been performed between Baltic Banking clients and clients of DBE. Several of these payments have been performed by both questionable and/or suspicious clients of Baltic Banking and counterparties of DBE.

Case examples



5



3. Conclusion

The majority and the biggest amounts of questionable and/or suspicious transactions are made by clients of Swedbank Estonia. However there seems to be different kind of modus operandi between the three Baltic countries depending on currency, incoming or outgoing payments and type of counterparties (e.g., LP/LLP, LTD or similar).

GCAMLTF has not had access to all client files, full account statements or underlying documentation supporting transactions. Without being able to scrutinize the single transactions and underlying documentation supporting the transactions it is not possible to assess how many of the transactions between Baltic Banking and DBE that should have been reported as suspicious to the respective FIU⁵⁷. However, as several money laundering indicators have been identified in the transaction data, there are grounds to believe that more transactions should have been reported to the FIU and more clients should have been off-boarded earlier than actually done.

The large exposure of USD payments to questionable and/or suspicious counterparties, many with links to Mossack Fonseca, and other alleged money laundering, corruption, fraud and illegal arms trade cases, increases the risk for Swedbank to be approached by US authorities. In this context it is worth noticing that Swedbank got a request from US (NYDFS) in the spring of 2018 on clients affiliated with Mossack Fonseca⁵⁸. In addition, the amount of incoming and outgoing payments between Baltic Banking, in particularly Swedbank Estonia, and DBE, can increase the risk for Swedbank to be approached both by Estonian and Danish authorities given the recent media articles indicating a very high amount of money being allegedly laundered via DBE.

Finally, the transaction monitoring/analysis of foreign payments in Baltic Banking show that Baltic Banking still has a risk exposure to LP/LLP and offshore counterparties. Only in May 2018, clients of Baltic Banking performed 163⁵⁹ transactions with LP/LLP companies, to the amount of incoming EUR 3 187 204 and USD 187 860 and outgoing EUR 516 045 and USD 288 743. Some of these LP/LLP companies are controlled by proxies/nominee Directors and offshore/shell companies as General Partners linked to alleged money laundering, corruption and illegal arms trade cases⁶⁰.

4. Recommendations and actions

To mitigate any potential risks of Swedbank being used for money laundering/terrorist financing activities and any risk that could follow from authority's scrutiny of Swedbank including negative risks on Swedbank's reputation and negative consequences for correspondent banking relationships and funding, Swedbank Compliance recommends doing the following:

⁵⁴ 4 April 2013

⁵⁵ <https://offshoreleaks.icij.org/nodes/216088>

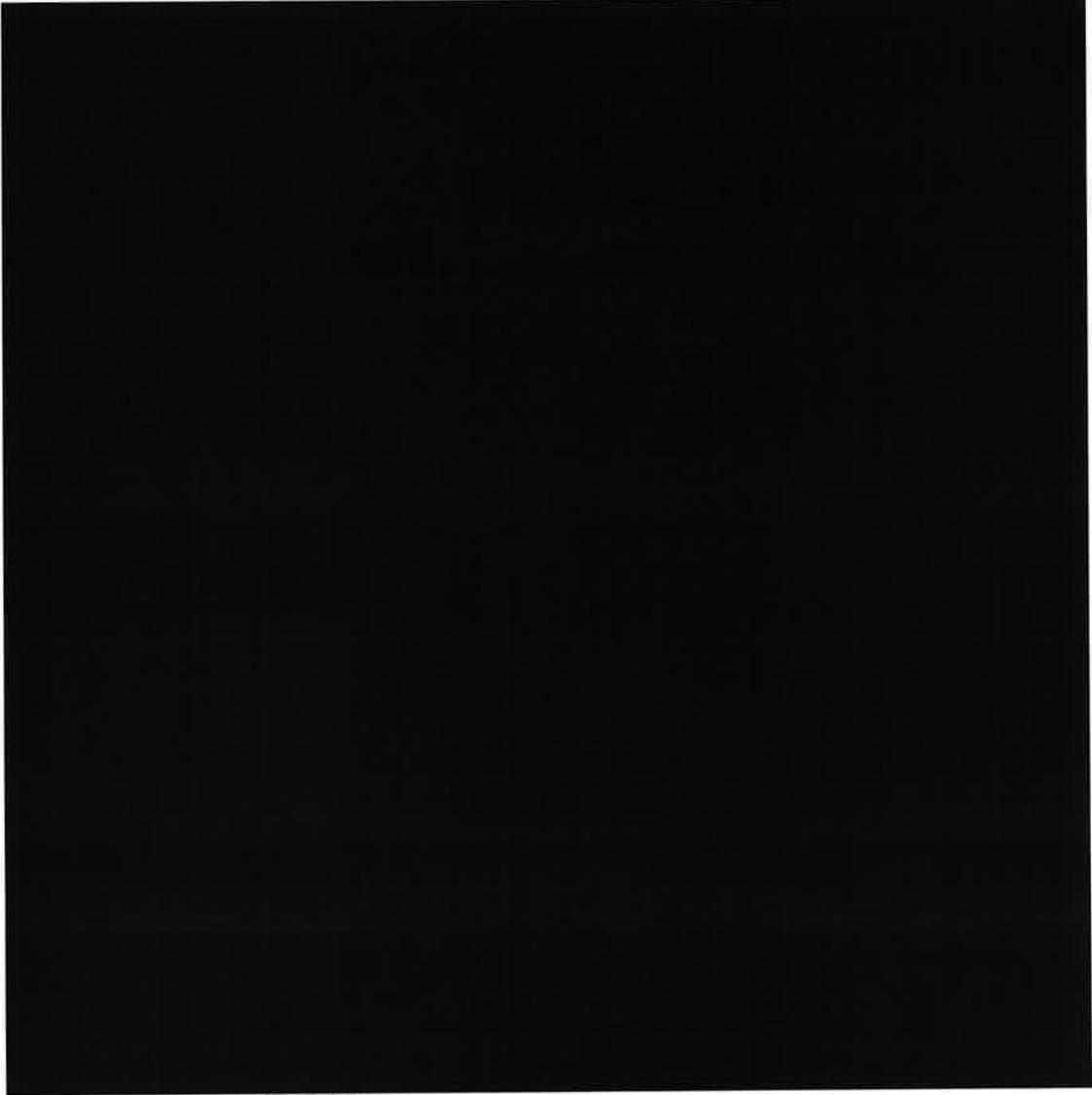
⁵⁶ As set out above, similar to Mossack Fonseca

⁵⁷ STR/SAR historical reports in the Baltics have not been matched against this Danske Bank data

⁵⁸ This Inquiry excluded Baltic Banking, which was confirmed by our US legal advisors. The exclusion was made clear in the submitted answer

⁵⁹ Only foreign payments above EUR 5 000

⁶⁰



STRICTLY CONFIDENTIAL





Follow up on Swedbank's risk exposure in relation to the investigation of ML issues in Danske Bank, Estonia

Internal Memo/Confidential – not to be spread to anyone without the express consent of the CEO of Swedbank AB (publ)

Receivers:

The CEO of Swedbank AB (publ)

The Head of Baltic Banking

The CRO of Swedbank AB (publ)

The Specially Appointed Executive for AML of Swedbank AB (publ)

Prepared by:

Swedbank Compliance

2018-09-20

SUMMARY

Background

This memo is a follow up to previous reported risk exposure between Swedbank Baltic Banking (Swedbank) and Danske Bank Estonia (DBE)¹.

This memo is intended to give an overall oversight and insight into questionable transactions and to describe the risk related to Swedbank in relation to the investigation of money laundering (ML) issues in DBE - and especially customers and counterparties incl. their transactions that could be linked to the problems in DBE. It has not been possible at this stage to relate the numbers in this investigation to the numbers revealed in the DBE Report (defined below).

Scope of investigation and who was involved

Due to the big amount of data and transactions the investigations and analysis have been limited to (i) questionable transactions and parties, based on decided specific risk indicators that have been applied² during the period 2007-2015 and also thresholds for amounts.³ Hence, not all transactions between Swedbank and DBE have been analysed.

Further, the portfolio investigation has been made using a risk based approach based on the decided risk indicators. Both former and current customers in Baltic Banking have been run against these risk indicators and grouped based on the perceived risk. A transaction-by-transaction approach has not been adopted in this phase of the investigation. This is due to time- and resource restraint, but also since this until now has not been deemed necessary⁴. Thus, some clients are only identified with one single transaction to/from these clients of DBE, while others have several transactions.

¹ Dated 2018-07-12 distributed only to a few internal stakeholders.

² The risk indicators used are (i) legal form*: L.P, LP, LLP, LTD, LIMITED, LLC, INC, CORP, S.A. (more legal forms have later been detected as relevant, e.g., GMBH, A.G. A/S (Danish legal form), however transactions with these have not been significant in comparison to the others) (ii) payment description: "loan", "refund", "repaid", "return" (more payment details have been found as relevant, e.g., "consulting", "corporate service", however transactions which includes these have not been significant in comparison to the others) (iii) currency: EUR (included EEK converted to EUR), USD have been used. Other currencies GBP, RUB and, CHF have been identified but are not included in the amounts set out in this memo since they are deemed not to be significant and (iv) counterparty (clients of DBE).

³ EUR 5000 for domestic payments and EUR 2500 for foreign payments.

⁴ After having taken part of the "Report on the Non-resident Portfolio at Danske Bank's Estonian branch", made public 2018-09-19, (the DBE Report) Compliance can conclude that this is the same approach that has been used by DBE.

The fact that former or current customers have been linked/involved in some suspicious payments does not necessarily imply that such payments or all of their payments were suspicious.

The investigations and analysis have been done by Compliance, with the assistance of the external consultant BDO.

A comprehensive way of describing the risk that Swedbank is exposed to when it comes to AML/CTF risks is by describing the networks and links that our clients are associated with, as is shown in certain examples in Appendix 1⁵.

Key takeaways:

The following most important takeaways are⁶:

- 1) **None** of the entities that have been mentioned in media in the DBE case has been identified as **customers** of Swedbank based on transaction with DBE. (Only a few of the concerned DBE customers have so far been named in media.)
- 2) The investigation shows, that approx. **3440** of Swedbank's **former and current customers have conducted transactions** with counterparties of DBE and their networks, whereof approx. **2000**⁷ are **current customers**.
- 3) The turnover of identified questionable/suspicious clients and/or counterparties with transactions with DBE (the "Flow")⁸ amounts to approx. EUR 3 200m and approx. USD 6 700m from 2007 till 2015, which comprises both former and current clients.
- 4) **29 clients** of Swedbank, of which **11 are still customers**, have been identified as **non-acceptable**. They have been **directly matched** against the list of the **Russian Laundromat companies** published by the Organized Crime and Corruption Reporting Project (OCCRP). **163 counterparties**, i.e. clients of DBE, on the same OCCRP list **have made transactions with Swedbank's customers**, both former and current clients.
- 5) **35 former clients** of Swedbank, which all are **UK registered LPs/LLPs**, have performed transactions with **clients of DBE**. At least **17** of these former clients are **controlled by some of the most infamous offshore companies and proxy/nominee directors linked to organized corruption and money laundering**. In addition, these former LP/LLP clients are linked by transactions to other LP/LLP companies, some mentioned in relation to Magnistky, Azerbaijani

⁵ Still in draft form

⁶ Please note that the numbers of customers matched in different segments as well as stated amounts still are under validation by BDO, which means that there could be some changes in the data.

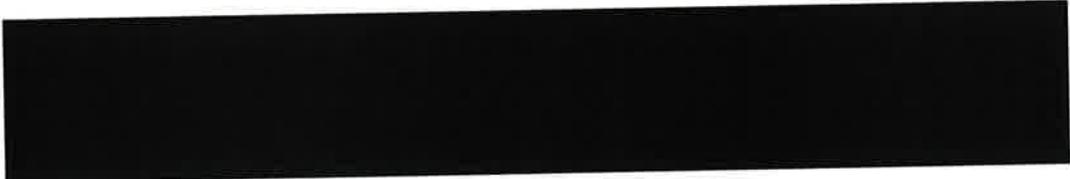
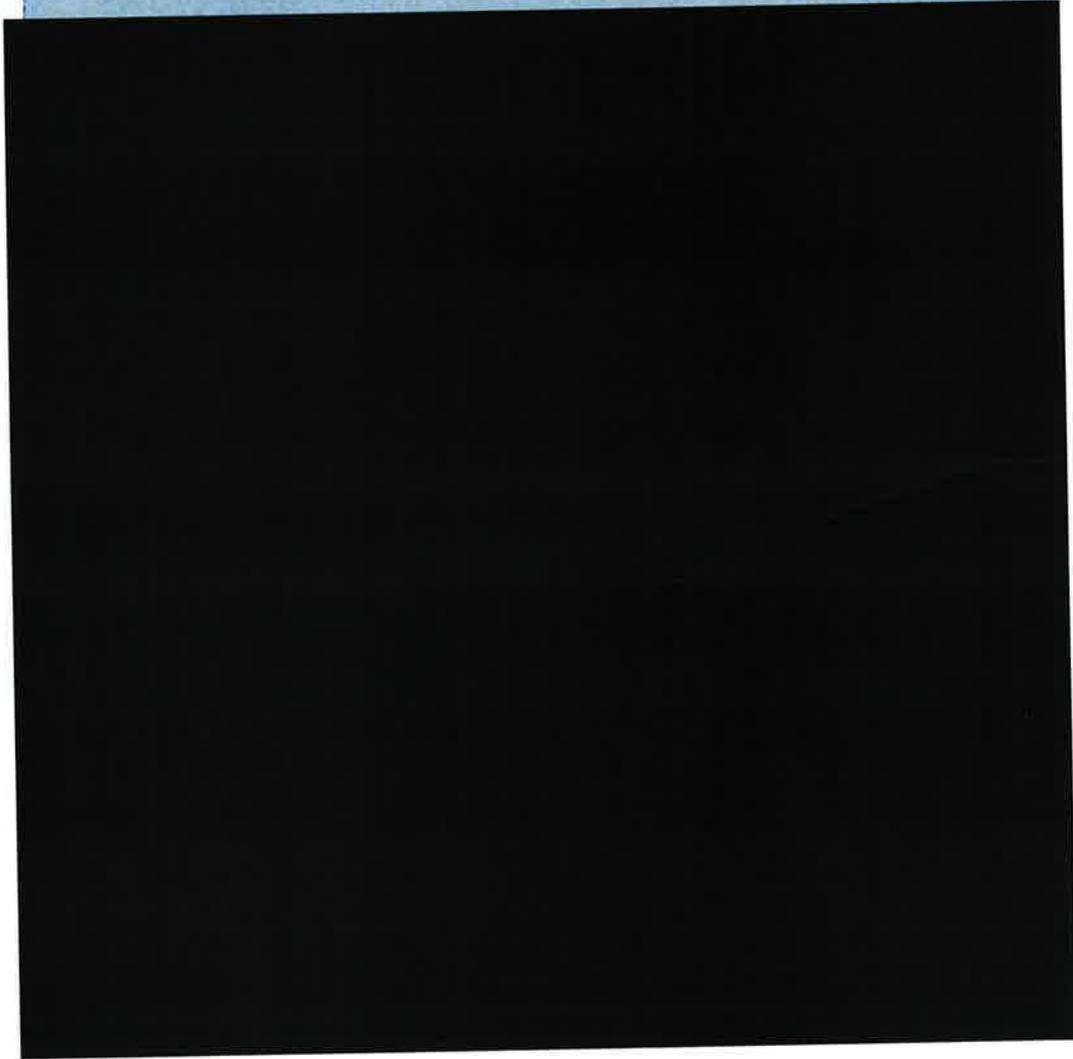
⁷ As set out in footnote 7, the data, which currently matches 1986 clients, is not fully confirmed. However, for the sake of simplicity the number 2000 is used throughout the memo at this point.

⁸ We are for this purpose using the term as the DBE Report in order to be able to "compare". However, it should be noted that from what we understand the flow in the DBE Report is the total flow in DBE Estonia (not limited to flow to/from certain banks). However, the DBE Report only covers the so called Non-resident Portfolio and it is unclear what this precisely comprises. The investigation carried out by Compliance, could have identified customer and counterparties of DBE not covered by the Non-resident Portfolio.



Laundromat, Russian Laundromat, Deutsche Bank mirror trade and the problems related to DBE.

- 6) At least **237 clients** of Swedbank, **mostly former**, identified in the Flow have a **positive match** against the Investigative Consortium of Investigative Journalists (ICIJ) database/lists ("ICIJ"), whereof at least **74** are **linked** to Mossack Fonseca ("MF").
- 7) At least **350 counterparties** (i.e. clients of DBE) of **Swedbank's customers** have a **positive match** against ICIJ, whereof at least 100 are linked to MF.



1. Background

DBE has repeatedly been accused of facilitating money laundering by the Danish business paper, Berlingske. The allegations have also been broadcasted by other media and organisations and the problems around DBE has also lead to investigations from authorities in Denmark and Estonia but also France; both in general as regards the bank as well as regarding possible criminal actions towards employees. The result of the investigation done by DBE was published in the DBE Report.

It seems that Berlingske, as well as OCCRP, have access to internal documents and account statements from DBE customers. Based on those documents it has been concluded that accounts of non-resident companies (e.g., includes NZ, UK, PA, BZ, etc.) in DBE were used to transfer funds originating from several worldwide organized money laundering scheme, including the following (according to published info)¹² :

- **Magnitsky** - Transactions comprising DKK 28bn, during 2007-2015 connected to Russian tax fraud; named after the lawyer S Magnitsky, who died in a Russian prison
- **Moldova** - Transactions comprising DKK 7bn, during 2011-2014 connected to tax fraud and corruption etc. involving Russian organized criminals
- **Azerbaijani Laundromat** - Transactions comprising DKK 18bn, during 2012-2014 connected to fraud and corruption also pointing at European officials and politicians
- **Russian Laundromat** - Transactions value not revealed, but conducted during 2007-2015 connected to companies alleged controlled by the family of Putin and FSB.
- **Deutsche Bank Mirror Trading**.

It should also be noted that Bill Browder filed a report in July 2018 pointing at 26 former and current employees of DBE, accusing them of money laundering and other criminal activity. Ultimo July, the Estonian State Prosecutor's Office announced that criminal investigation has been started based on this report.¹³ The Danish Prosecutor's Office has informed about launching similar investigation in Denmark. The DBE Report also states that 42 employees and "agents" have been deemed to have been involved in some suspicious activity and where DBE is in the process of filing SARs to the Estonian FIU and further that they have reported 8 former employees directly to the Estonian police.

This memo is intended to describe Swedbank's risk as regards Swedbank's customers, their counterparties and their transactions which could be directly, or to some extent indirectly, linked to the problems in DBE and the customers in DBE that has been mentioned in the media, which are only a handful, while sources talks about several hundreds.

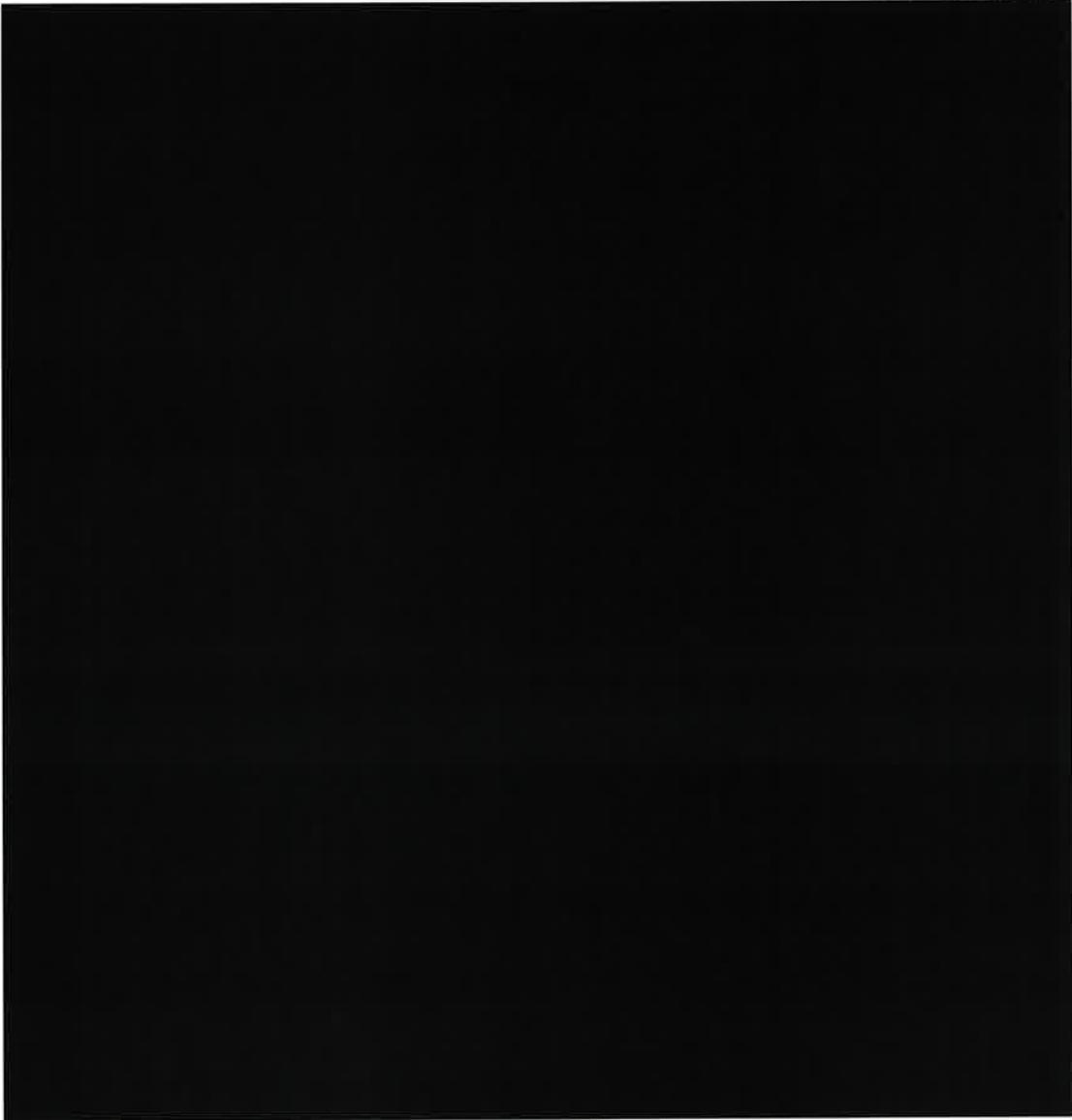


¹² <https://www.b.dk/national/english-version-an-overview-of-the-danske-bank-money-laundering-scandal>.

¹³ The Estonian media has also published an interview with an anonymous person who claimed that he/she is aware of practices that were used by the non-resident department of DBE. The source explained among other things how new clients were recruited and how the internal setup and 'service packages' made alleged money laundering in DBE possible, including how special payments to employees was organized.

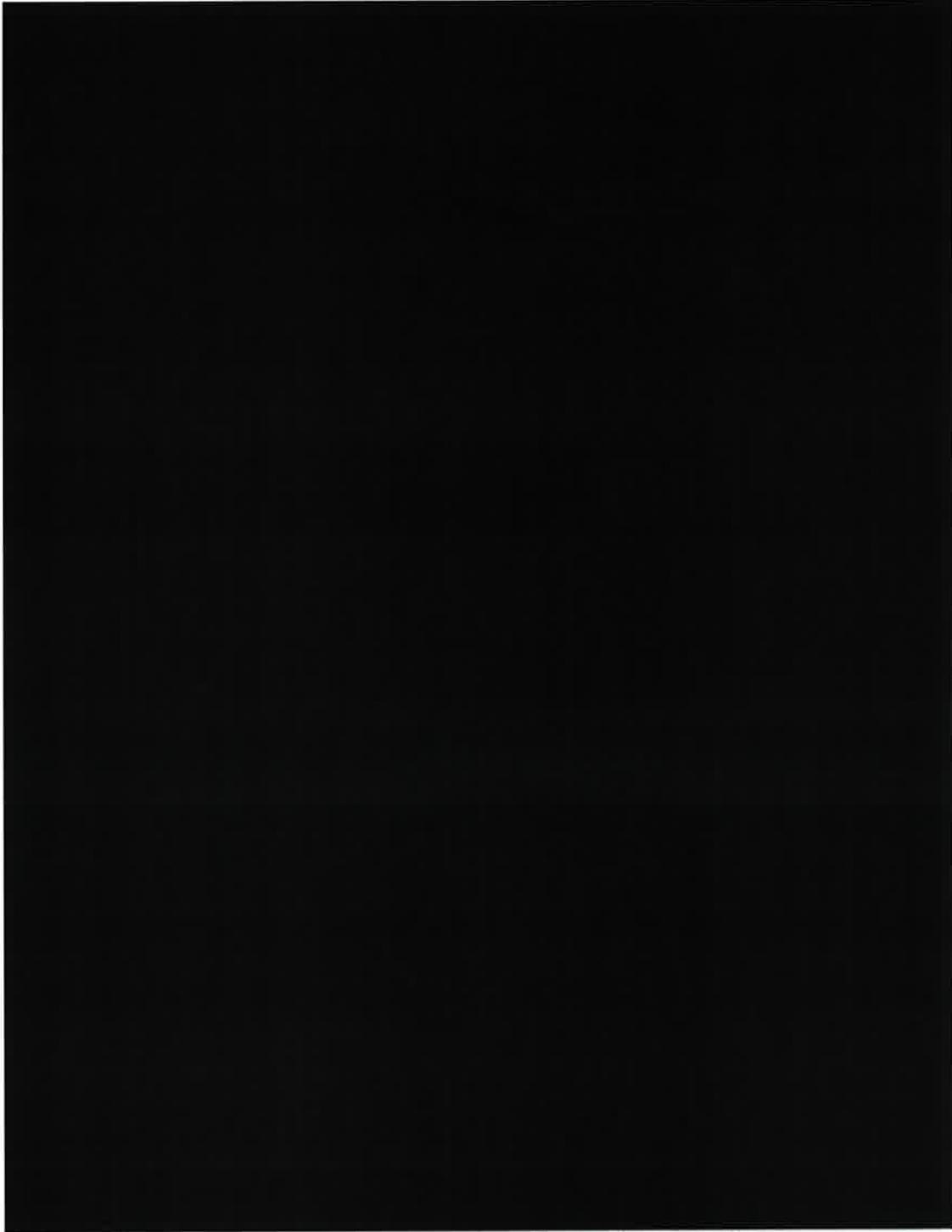


2. Scope of the investigation, available data and sources and who has been involved



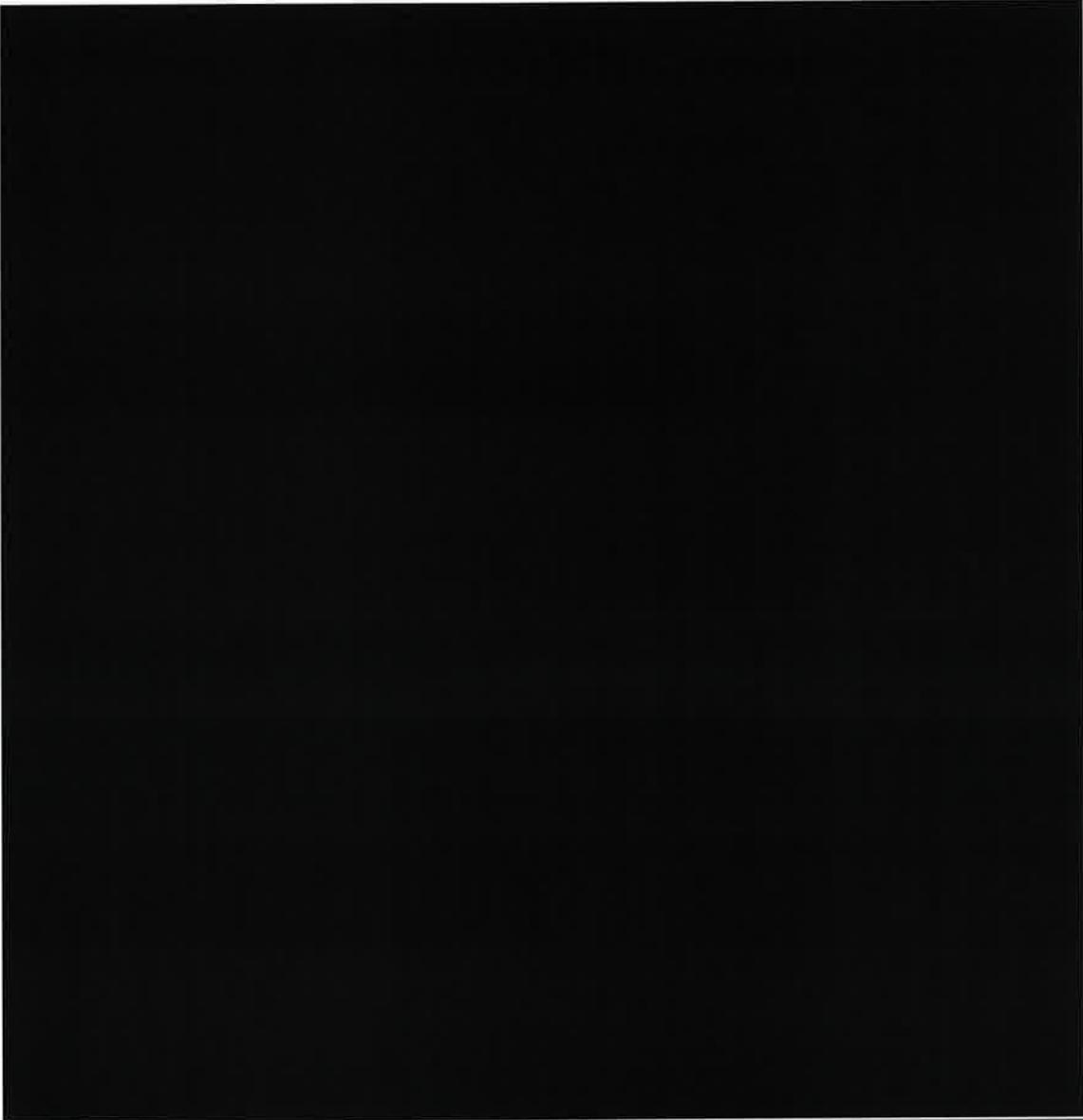
3. Customers, counterparties and the Flow

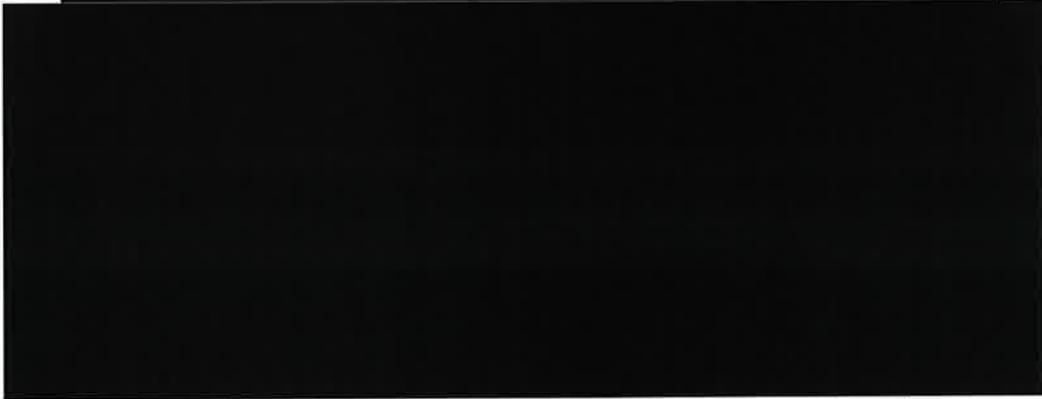




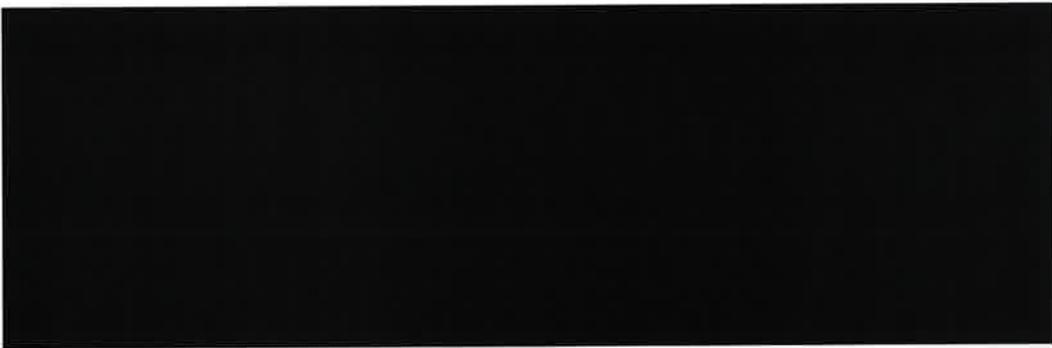


4. Identified customers/transactions of non-acceptable and high risk character





Top transactions - off-boarded clients with special interest





5. Existing customers that can be connected to DBE ML issue or other ML issues

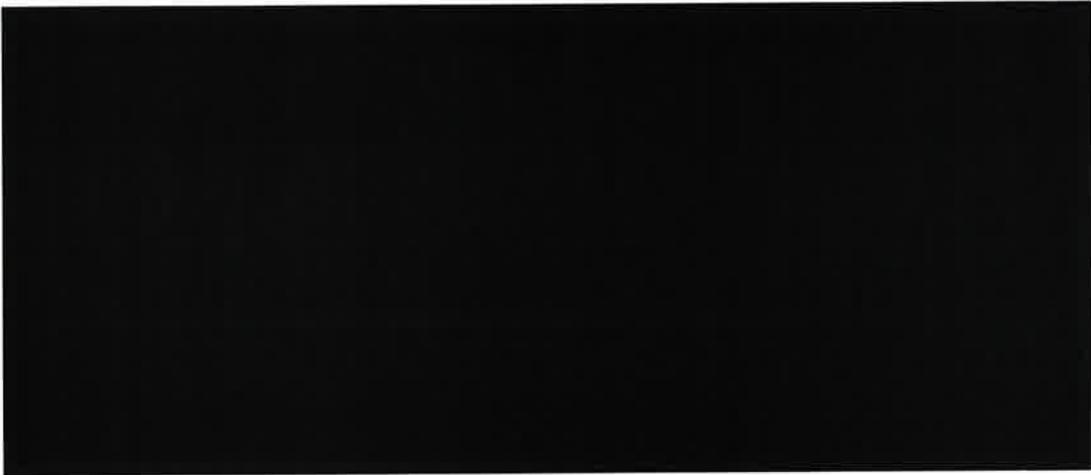
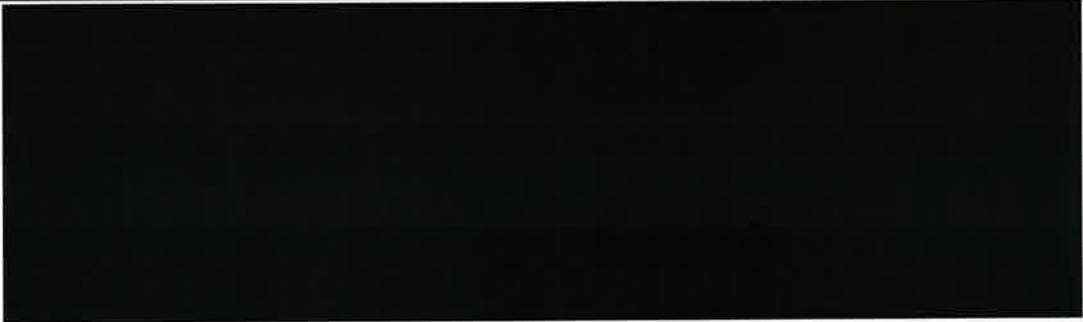
[Redacted content]

[Redacted content]

[Redacted content]

Further, more detailed information of the existing customers connected to DBE is presented in Appendix 2.

[Redacted content]



6. The way forward – Proposed actions to be taken

[Redacted]

A. Principles for risk appetite

[Redacted]

The proposed principles are as follows;

[Redacted]

B. Existing 2000 clients identified in the Flow – Monitoring and possible off-boarding

[Redacted]

Swedbank 

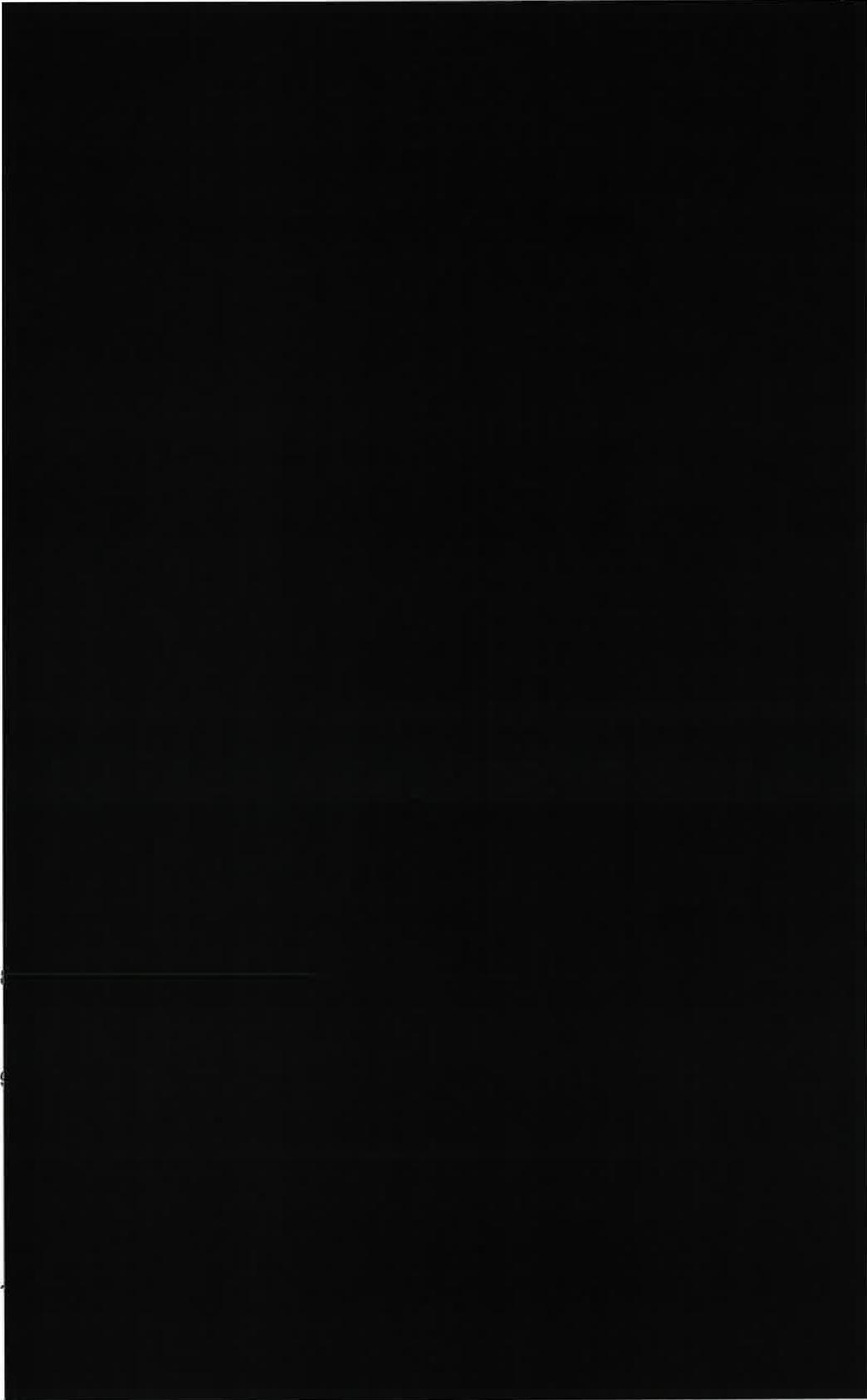
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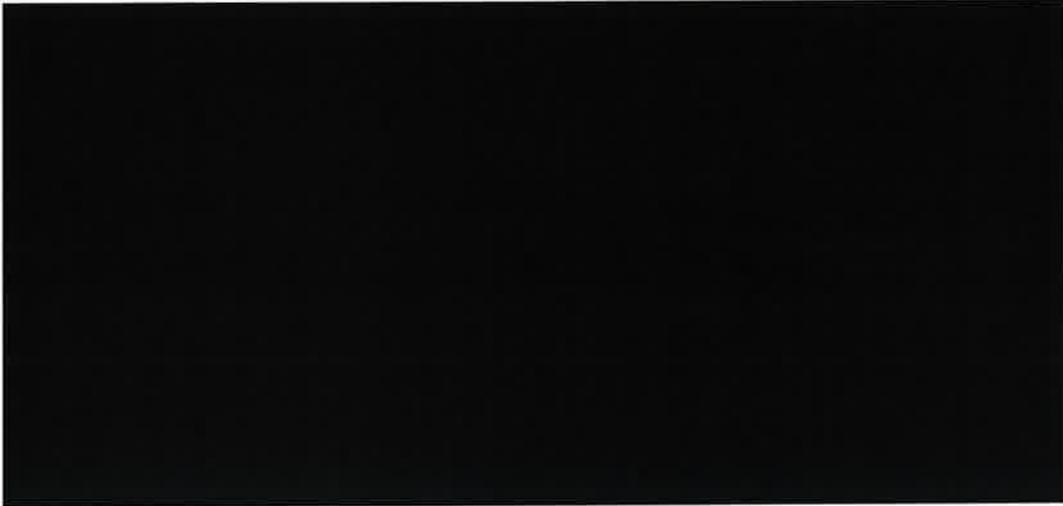
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SWEDBANK



SWEDBANK





PM

Signerat av

Myndighet

Ekobrottsmyndigheten

18-09-27 (18-09-23) The Board of Directors

Signerat datum

Enhet

Stockholm FMK

Diarie nr

9000-K822-19

Originalhandlingens förvaringsplats

Datum

2021-01-14

Tid

10:45

Involverad personal

Björn Sandman

Funktion

Uppgiftslämnare

Berättelse

Bilaga till e-post skickad från Cecilia Hernqvist till Birgitte Bonnesen 2018-09-23 16:18:48

Mejlet kommer från e-postbeslag 2019-03-28

Beslag 2019-9000-294-1, K564-19.

Confidential



The Board of Directors

27 September, 2018
Swedbank Compliance



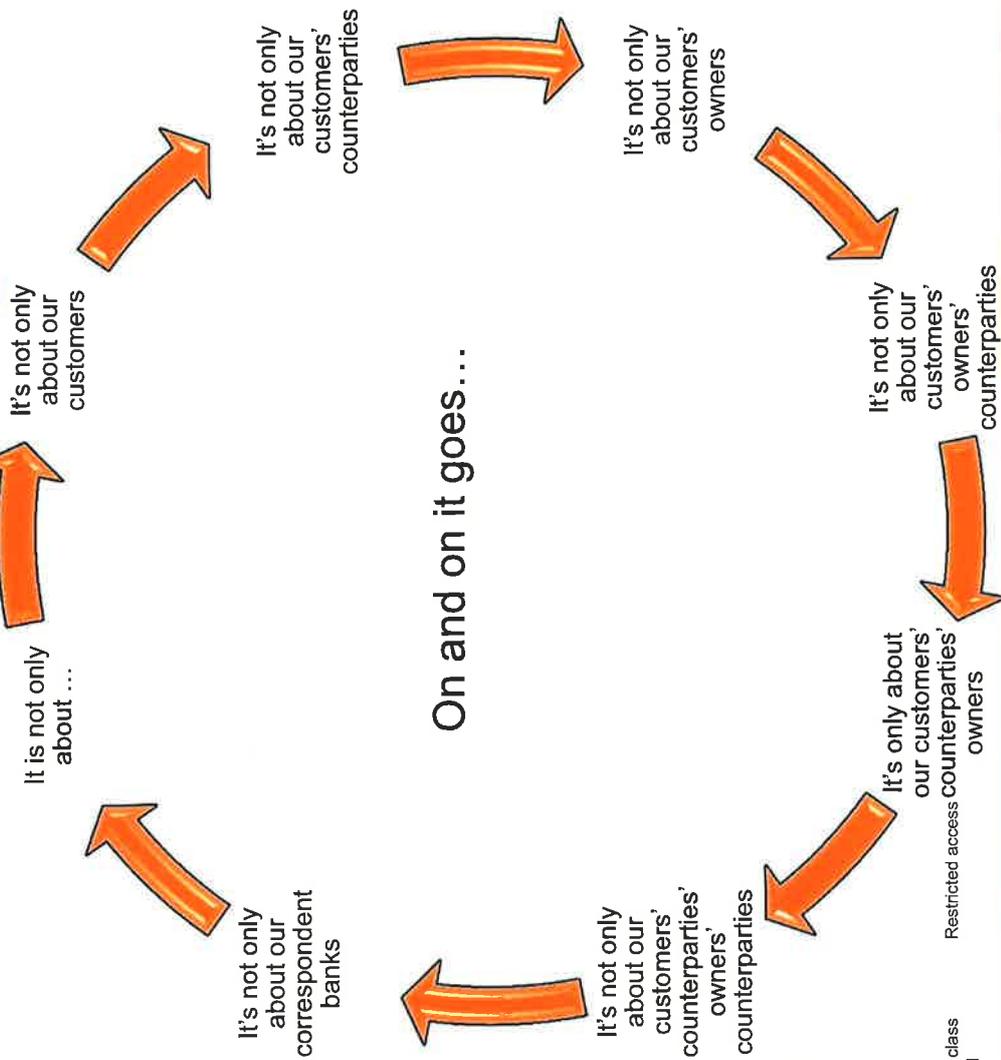


Money Laundering, Terrorist Financing risks in Swedbank

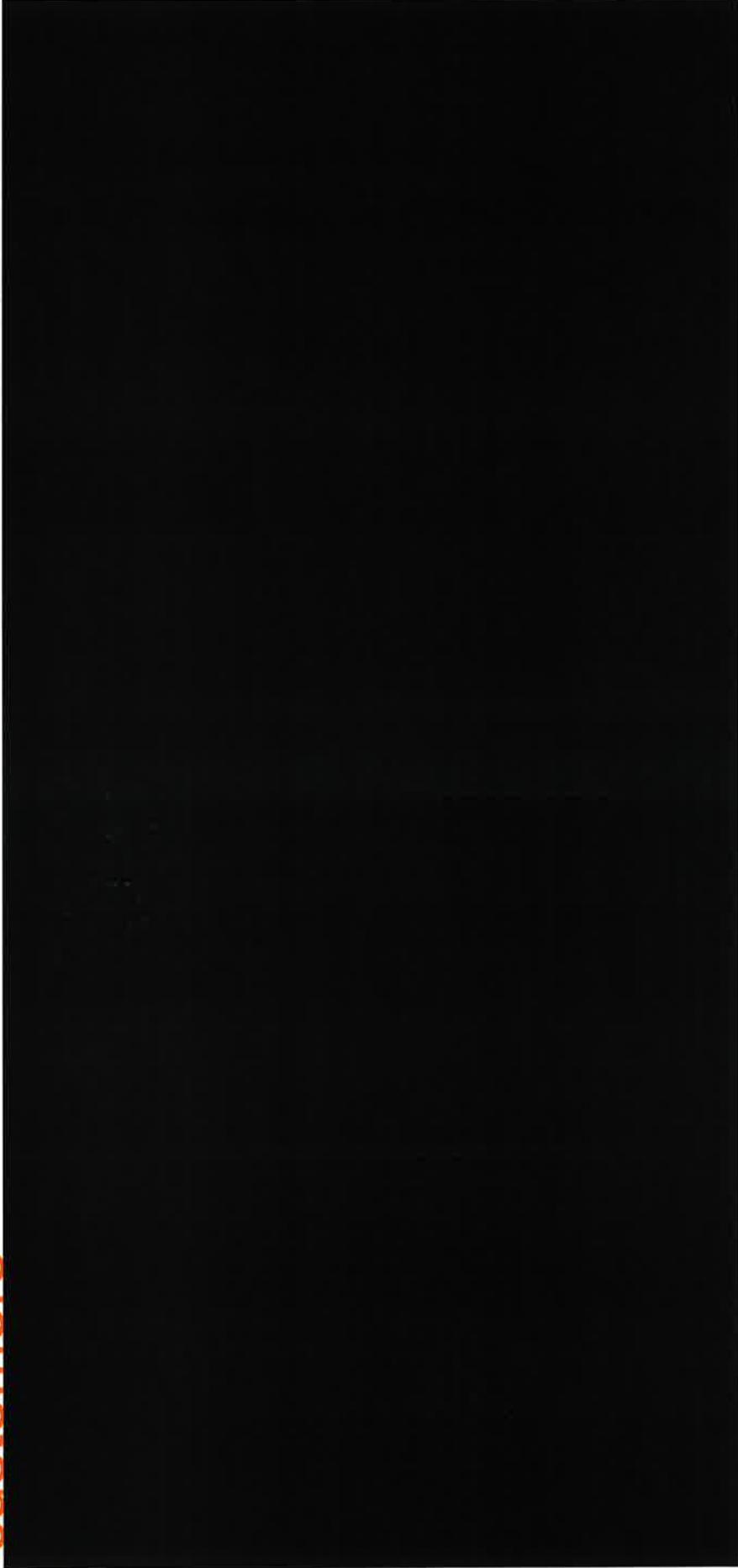
Agenda

- How do we work with the heightened ML/TF risks – not day-to-day basis
- What are the external challenges
- What are the internal challenges
- What has been done in relation to Danske Bank's alleged ML/TF risks for its business in Estonia ("DBE")

What are the external challenges



How do we work - open source data analysis run against customers



Highlights DBE from the report 180919

- “Non-Resident” Portfolio” acquired from Sampo in 2007
- Run as a separate business unit
- 10 000 clients but in total 15 000 clients
- So far approx. 6 000 clients examined
- Started one year ago with 70 FTE’s and until now DKK 200m of cost
- Several “warnings” from regulators and correspondent banks and conduct warning:
 - First in 2007
 - From the EFSA & the Russian Central bank (FSA)
 - Yield was 400%
- 42 employees colluded with clients, 7 reported to FIU

Highlights DBE – what did we know from media articles

- Berlingske & OCCRP access to internal documents/account statements?
- DBE clients transferred funds linked to worldwide organized money laundering schemes like:
 - **Magnitsky** - DKK 28bn (07-15) connected to Russian tax fraud; named after the lawyer S Magnitsky, who died in Russian prison
 - **Moldova** - DKK 7bn (11-14) connected to tax fraud and corruption etc. involving Russian organized criminals
 - **Azerbaijani Laundromat** - DKK 18bn (12-14 connected to fraud and corruption also pointing at European officials and politicians
 - **Russian Laundromat** - Transaction value unknown, but conducted (07-15) connected to companies alleged controlled by the family of Putin and FSB
 - **Deutsche Bank Mirror Trading** – Russian FX trades

What has been done as a result of DBE - Method

- Internal investigation employees in the Estonian bank - former and current - not only related to DBE
- Transaction data 2007-2015 from for all three Baltic countries collected
- BDO in Norway supported Compliance with data analytics, tools and resources
- A portfolio investigation on a risk based approach applying decided risk indicators
- Due to the big amount of data limitations were applied:
 - Questionable transactions and parties were analysed based on risk indicators
 - Amount thresholds of EUR 5000 for domestic- and EUR 2500 for foreign payments

What has been done as a result of DBE – Method cont'd

- Former¤t customers run against the risk indicators and clustered
- A transaction-by-transaction approach not used - however this was done in several cases by Compliance
- Some clients only identified with one single transaction others have several transactions considered questionable/suspicious
- **Disclaimer:** The fact that former¤t clients have been linked/involved in some suspicious payments does not necessarily imply:
 - that such payments or all of their payments were suspicious
 - that criminal activity is behind the transactions

What has been done in relation to DBE – Method cont'd

- 500 000 transactions analysed based on the risk indicators such as:
 - 1) **legal form:** L.P, LP, LLP, LTD, LIMITED, LLC, INC, CORP, S.A. (more legal forms later identified relevant, e.g., GMBH, A.G. A/S
 - 2) **payment description:** “loan”, “refund”, “repaid”, “return” (more payment details have been found relevant, e.g., “consulting”, “corporate service” but have been deemed insignificant
 - 3) **currency:** EUR and USD. Other currencies GBP, RUB and, CHF have been identified but have been deemed insignificant
 - 4) **counterparties**, i.e. clients of DBE
- By applying the risk indicators 30 000 transactions were analysed

What has been done in relation to DBE – Method cont'd

- The 30 000 transactions were analysed also by links to 569 other non-acceptable companies identified by Compliance related to:
 - Magnitsky, Moldova, Azerbaijani Laundromat, Russian Laundromat, The Deutsche Bank Mirror Trading
 - The Odessa Network
 - Additional Laundromat associated company not profiled in the OCCRP list and companies from the "Prevezon case"
 - Companies linked to North Korea and Syria illegal arm's trade
 - Compliance's own list, started in 2017, for companies linked to specific offshore companies and proxy/nominee individuals

Conclusions of the DBE investigation

1. **None** of the entities mentioned in media related to DBE identified as **clients**
2. **11 clients** identified as **non-acceptable** risk - requires urgent measures
3. **X clients** identified with **links** to infamous proxy holders risk - requires urgent measures
4. **163 counterparties**, i.e. clients of DBE, identified as **non-acceptable risks** made **transactions with our clients** (former and current clients) – requires measures
5. Approx. 3400 clients have been screened, wherof 2000 clients identified with some links that will investigated case-by-case with a risk-based approach

Way forward



13

2018-09-23

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What are the overall main “internal” challenges?

- Time
- Data – in the Group
- Resources – in Swedish Banking, GSI and Compliance
- Competence – in Swedish Banking, GSI, LCI & Baltic Banking, also external challenge
- Tools – in GSI and Compliance

From: Cecilia Hernqvist <MYNTET/FIRST ADMINISTRATIVE GROUP/RECIPIENTS/P999CHE>
Sent: 2018-09-23 16:18:48 +0000
To: Birgitte Bonnesen <birgitte.bonnesen@swedbank.se>
Subject:
Attachments: 180927 Memo on AML_CTF.docx; 180727 The Board of Directors.pptx

Hej,

Hej,

Bifogat memo och ppt, ppt är i princip klart, subject till dina kommentarer förstås, de tar mer upp vad vi gjort maa av D eftersom resten dagliga arbetet står i memot

Memot behöver jag kolla några saker på som du kommer se, skrev det från minnet, har datastrul och har inte allt i huvet även om jag har mkt...

Se båda som utkast och har försökt vara så pedagogisk jag kan för att förklara risker och utmaningar

Lösen kommer på mess

Håll i hatten när du läser det och låt oss diskutera

Ha det skönt//Cecilia



Myndighet
Ekobrottsmyndigheten

Enhet
Stockholm FMK

Memo 18-09-27 (18-09-23)

Memo on AML_CTF

240

Signerat av

Signerat datum

Dlariennr
9000-K822-19

Originalhandlingens förvaringsplats

Datum
2021-01-14

Tid
10:56

Involverad personal

Björn Sandman

Funktion

Uppgiftslämnare

Berättelse

Bilaga till e-post skickad från Cecilia Hernqvist till Birgitte Bonnesen 2018-09-23 16:18:48

Mejlet kommer från e-postbeslag 2019-03-28

Beslag 2019-9000-294-1

Prepared for: The Board of Directors of Swedbank AB

Memo on how Swedbank work with anti money laundering ("AML"), Combating Terrorist Financing (CF) and Financial Sanctions ("FS")

27 September, 2018

Prepared by: Swedbank Compliance

1. Background

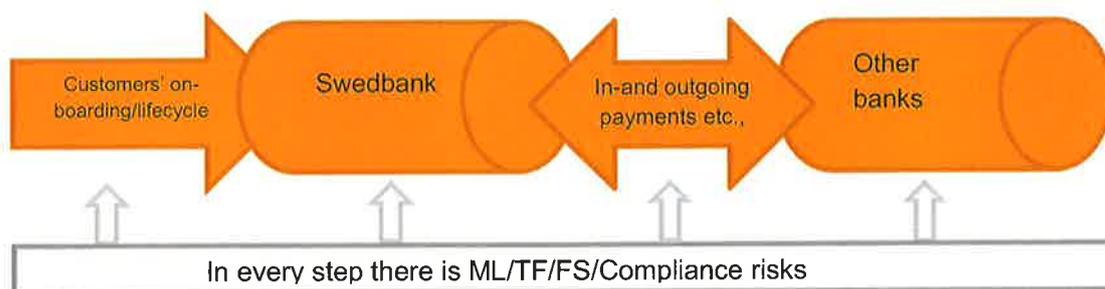
This memo will on a general level and not in-depth describe how Swedbank works to prevent Money Laundering ("ML")/Terrorist Financing ("TF") and the efforts done in recent years to better understand both the compliance risks as well as our ML/TF risks.

This memo does not focus on financial sanctions ("FS"), which due its nature is a more political tool. This is not to say that sanctions are not important. They are important, esp. for our relationship with our US correspondent banks and the fact that US regime comes down hard on non-compliance with sanctions.

2. What is the typical risk in ML/TF/FS?

As in all risk categories, one has to distinguish between the compliance risk and the risk for ML/TF/FS. The compliance risks comprises that we do not follow all rules related to the area. The ML/TF¹ risks, are the risks that we are used for ML/TF. The perception that we are used for ML/TF/FS is a reputational risk, which is clearly shown in Danske Bank². Further, both compliance risks and ML/TF risks often comprises operational risks³. The risks are of course linked in that way that if one risk is at hand this may lead to the others.

Where does the risk occur?



1. "On-boarding/lifecycle"; typical compliance risks are that we do not have enough information about the customer or do not react adequately

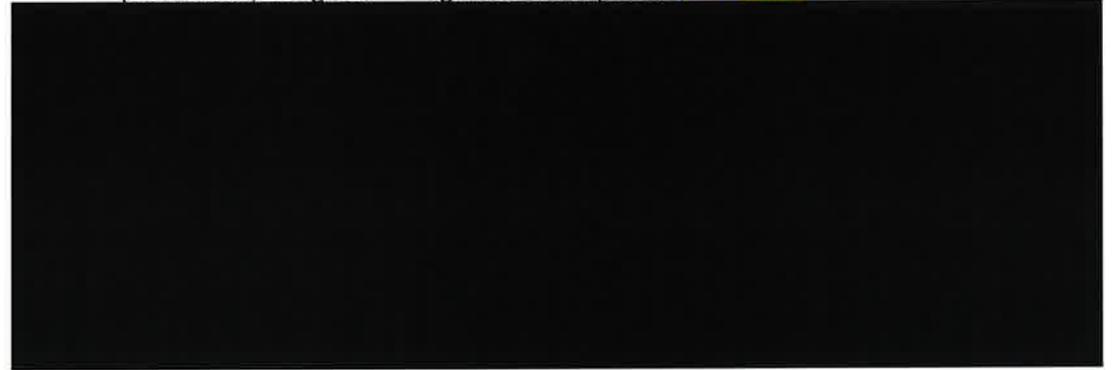
¹ The FS risk mainly contains compliance risk, but depending on transaction it could also comprise ML/TF risks. For instance in connection to Danske Bank, there is media articles mentioning that payments have been going through Danske Bank related to illegal arms trade to North Korea and Azerbajdzjan. Danske informed at their press-conference on Wednesday last week, that they have not found any breaches of financial sanctions.

² Danske Bank's share price has been severely affected by the allegations on ML/TF. The investigation that has been carried on for one year has cost them DKK 200m so far, and they are not finished. They have gone through approx. 6000 customers out of 15.000 related to the so called Non-resident portfolio and the report states that Danske has had 70 FTE working with this for one year. It should also be noted that, according to media, there are ongoing investigation by the US authorities since the last two years.

³ Poor processes, lack of competence and resources.



2. "Swedbank/banks"; typical compliance risks are that we do not have adequate framework that are implemented, not good enough tools and processes⁴ and ?

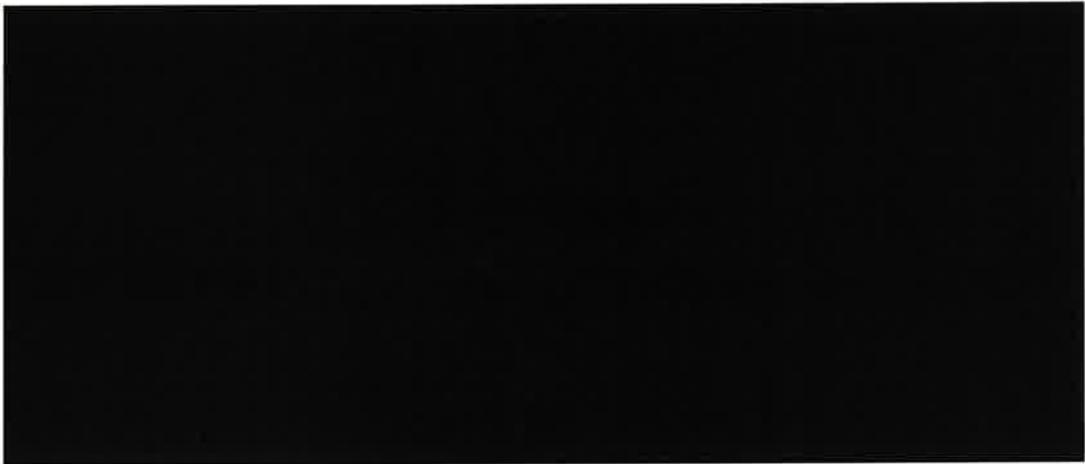


3. "In-and outgoing payments and other transactions (FX trades, transfers between own accounts etc.); typical compliance risks comprise:

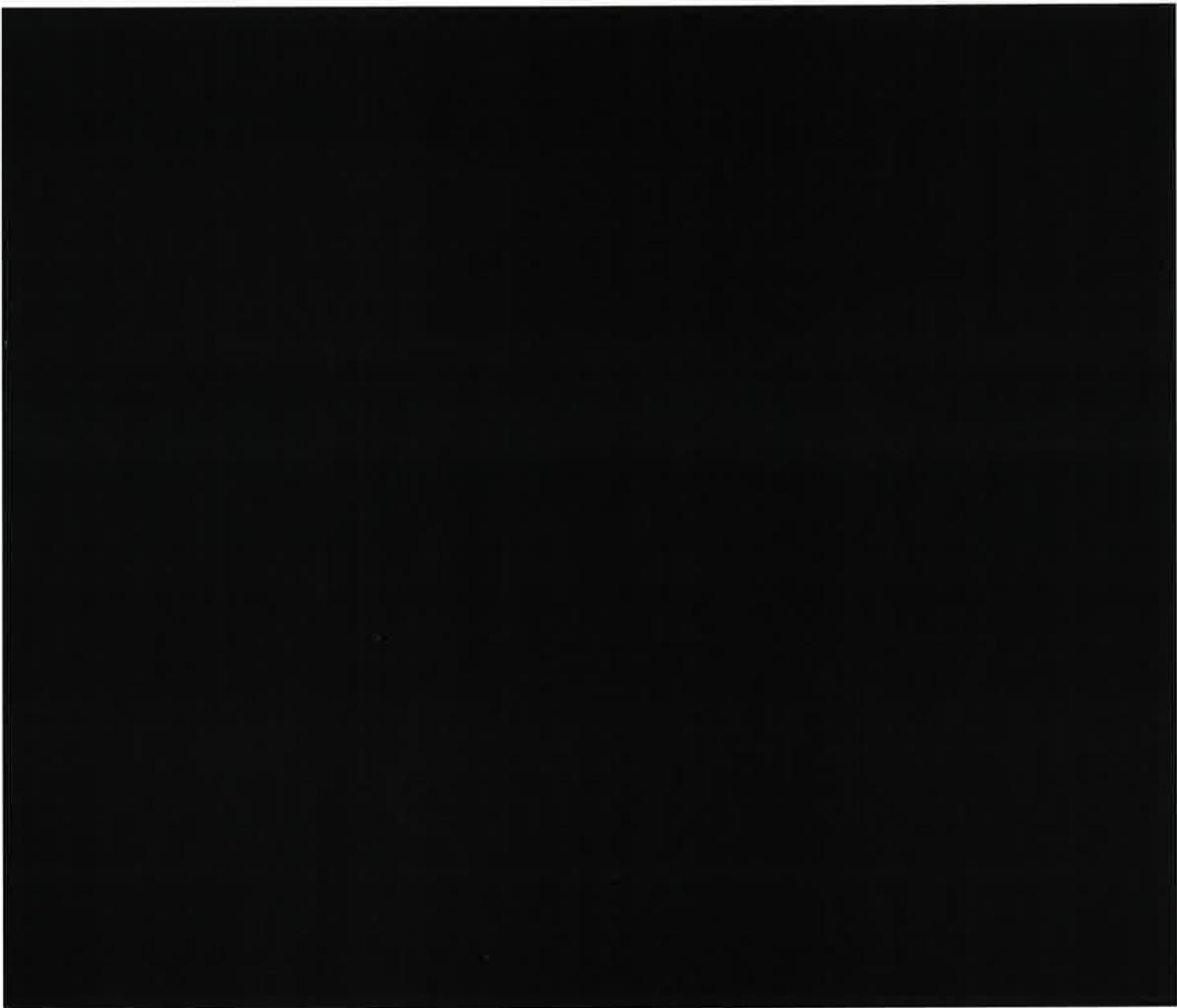


4. "On-boarding/lifecycle/Swedbank/banks/in-and outgoing payments and other transactions"; typical ML/TF/FS risks are that:



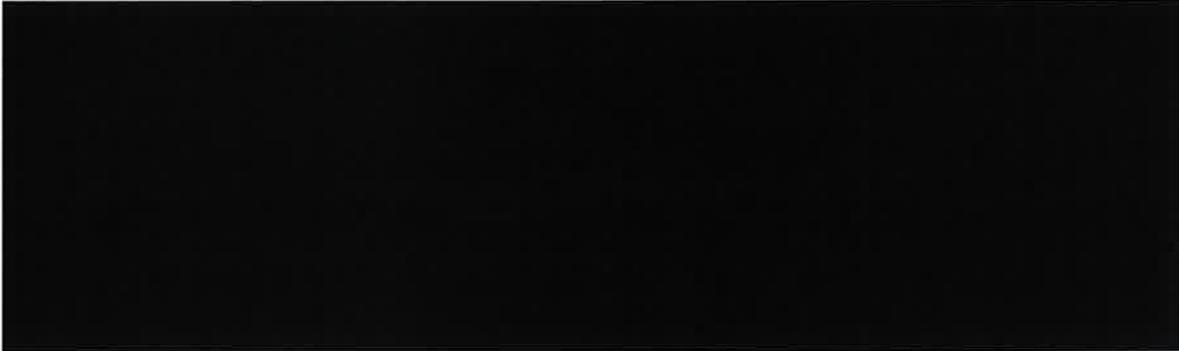


3. Why are ML/TF/FS risks different from risks?





4. A simplified way to show the work done to prevent, detect and respond

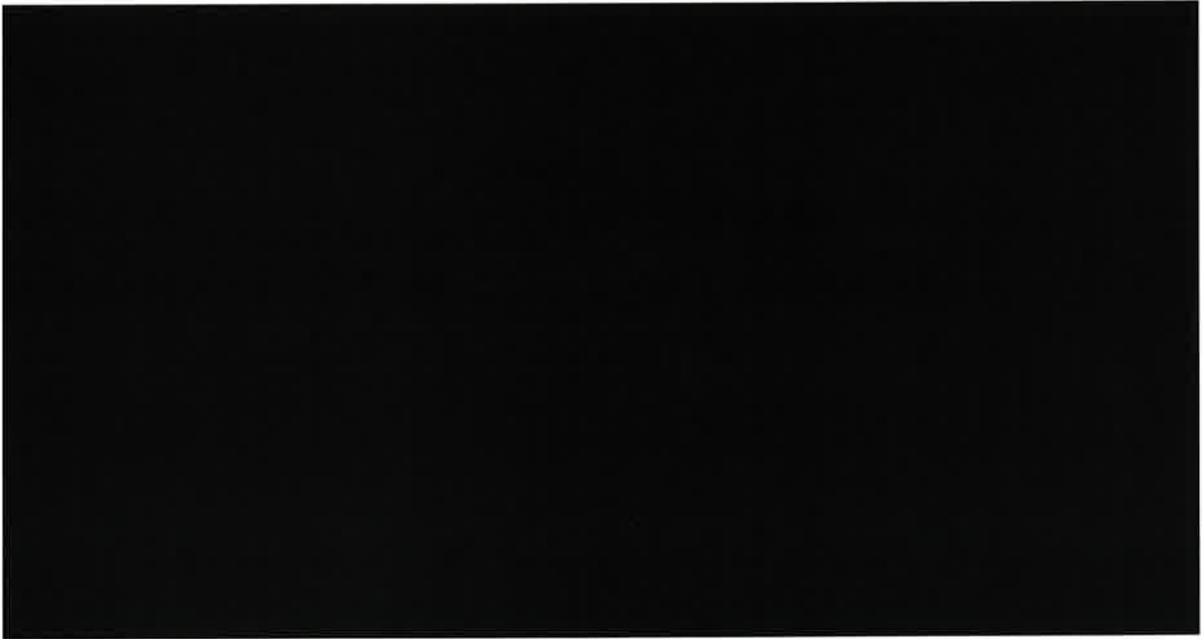


5. How does the organization look like?

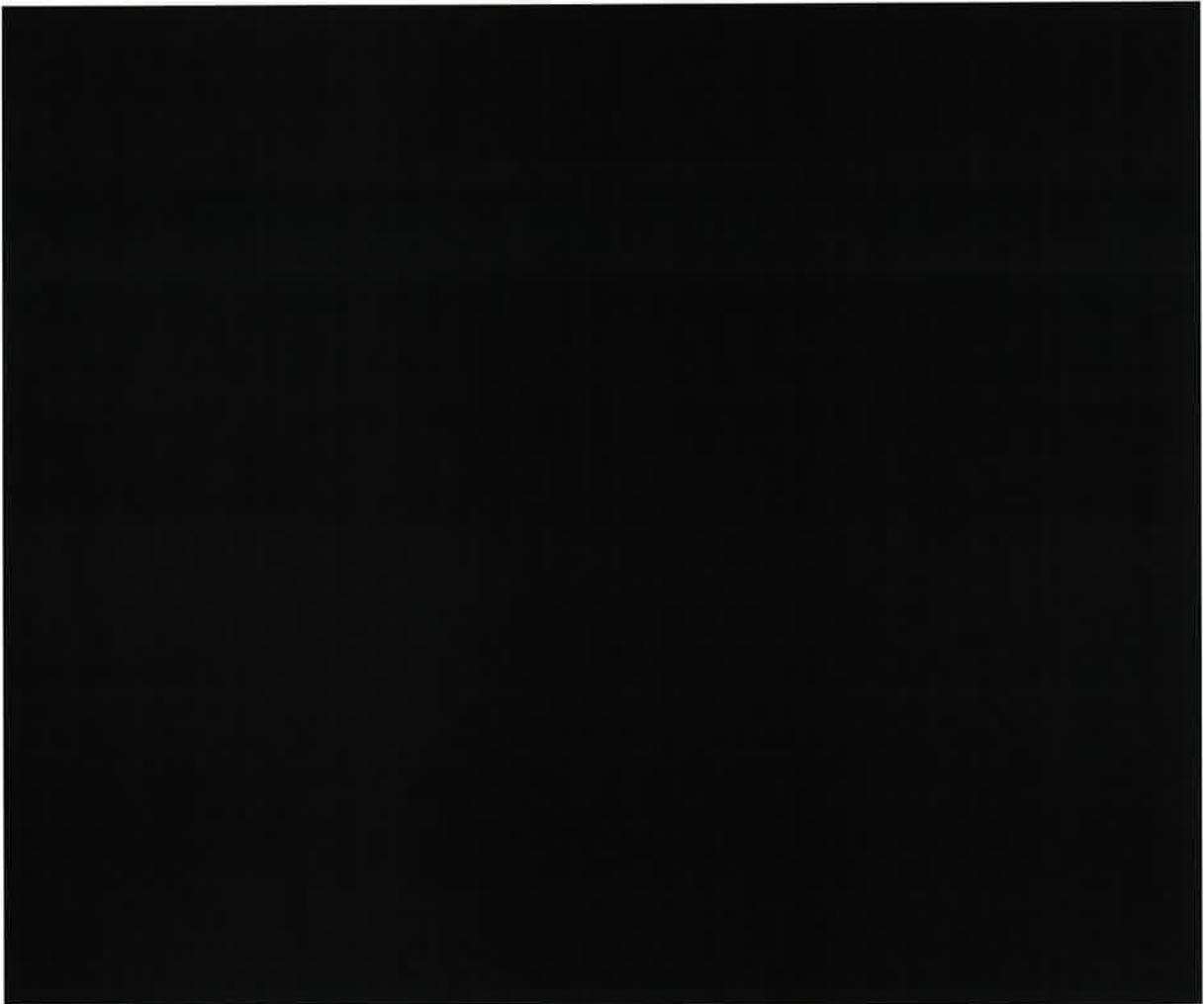


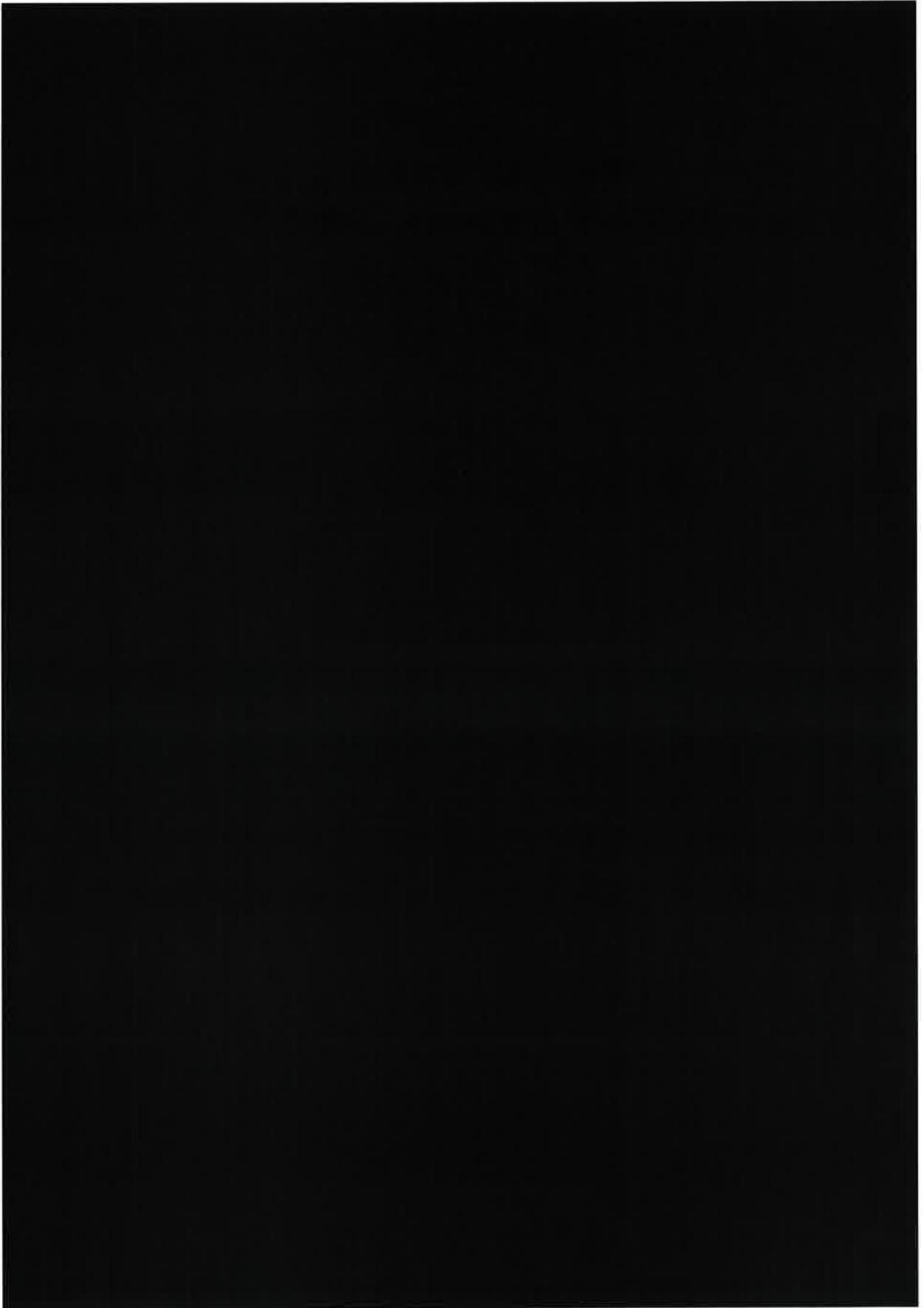
6. What has the FSA's said?

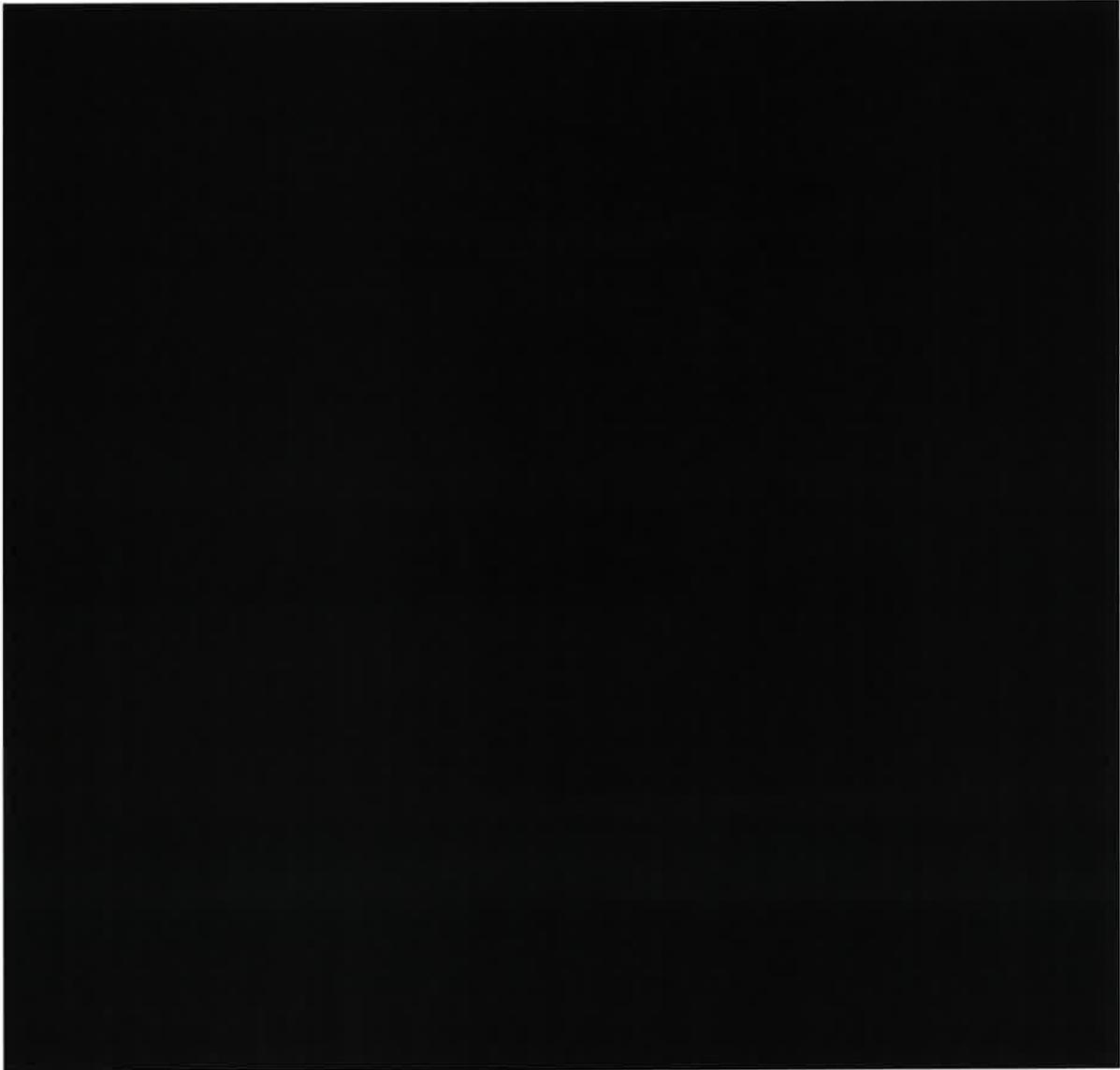




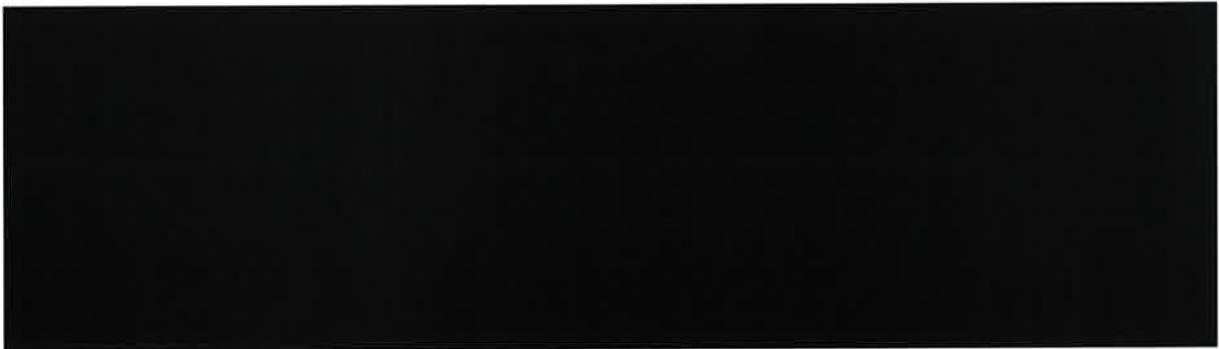
7. What has been done in recent years?







8. What special efforts have been done due to recent cases mentioned in media?

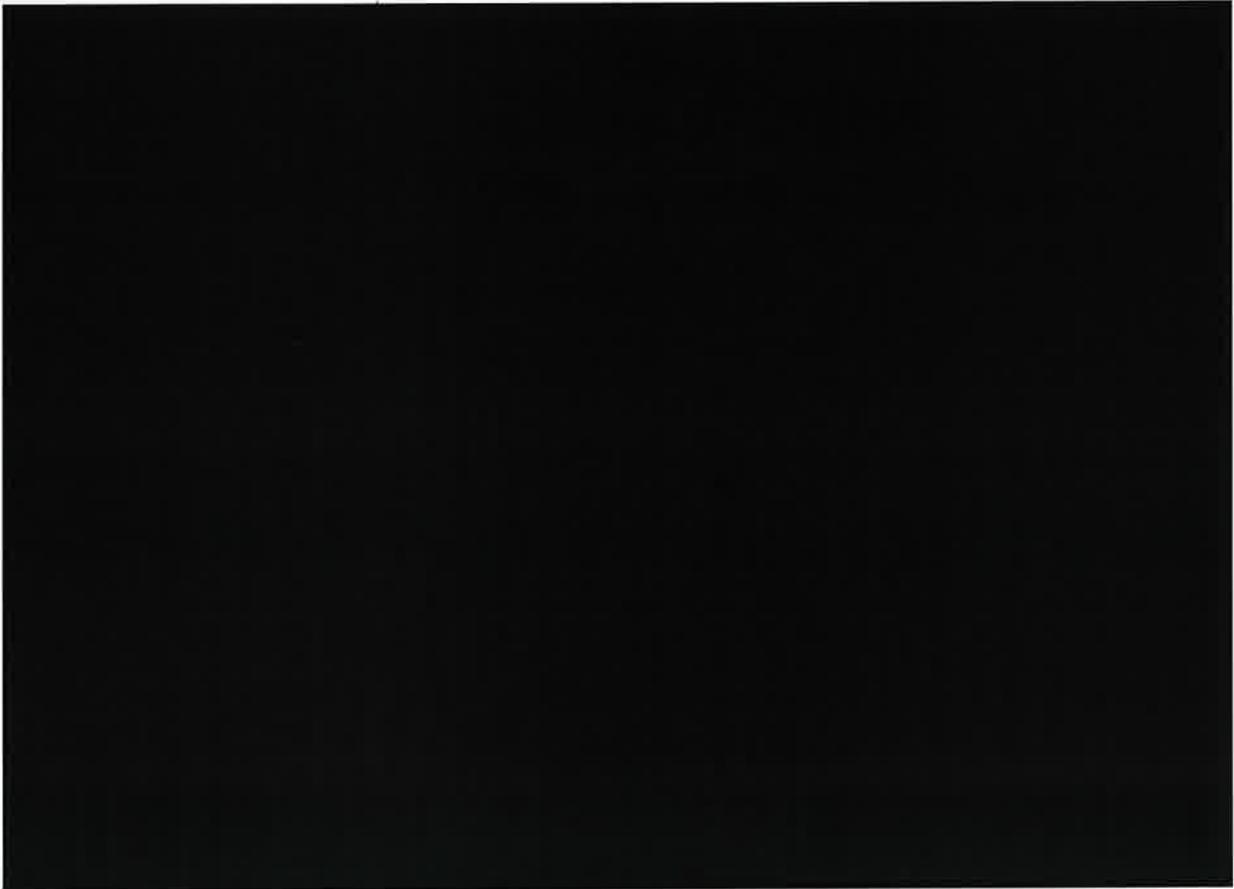




9. What are the challenges?



Appendix 1



From: Cecilia Hernqvist <MYNTET/FIRST ADMINISTRATIVE GROUP/RECIPIENTS/P999CHE>
Sent: 2018-09-23 16:18:48 +0000
To: Birgitte Bonnesen <birgitte.bonnesen@swedbank.se>
Subject:
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Lösen kommer på mess

Håll i hatten när du läser det och låt oss diskutera

Ha det skönt//Cecilia



To: Chief Compliance Officer, Swedbank AB
From: Erling Grimstad, lawyer
Date: 10 December 2018

High Risk Non-Resident customers of Swedbank Estonia

Draft Preliminary Status Report on AML to Swedbank AB
10 December 2018

Disclaimer

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THE SCOPE FOR THIS PRELIMINARY STATUS REPORT

Danske Bank's press release of 21 September 2018 and Danske Bank's Report on the Non-Resident Portfolio at Danske Bank's Estonian branch of 19 September 2018, revealed major deficiencies in control and governance, which made it possible for customers to use Danske Bank's branch in Estonia for criminal activities, such as money laundering. In October 2018, Swedbank AB asked the Norwegian law firm Advokatfirmaet Erling Grimstad AS to review the internal investigation report from GSI Estonia on Danske Bank's case related issue, identify liabilities for employees and to follow up on the assessment started in 2017, where we identified major breaches of AML obligations pertaining to Swedbank Estonian's High Risk Non-Resident portfolio.

1. **Executive summary**
2. Observations and relevant findings
3. Recommendations
4. Appendix
5. Comments from the Bank

MAJOR BREACHES OF AML OBLIGATIONS IDENTIFIED IN SWEDBANK ESTONIA

We have identified major breaches of core AML obligations in Swedbank Estonia. Our preliminary investigation reveals that the most serious breaches occurred within the bank's High Risk Non-Resident portfolio. The customers in this portfolio, mainly Russian citizens, were protected from Russian government and tax authorities by the management of the bank. The non-compliance with AML obligations, made it possible for private and corporate customers to misuse the bank to conduct suspicious transactions and activities. The majority of the High Risk Non-Resident customers from Russia should never have been accepted as customers according to core AML obligations. We have identified a number of examples where the management of the bank had no certain confirmation of beneficial owners, source of funds, nature of business or proper understanding of the customers complex business structures. The management of the bank received information from numerous of their Russian HRNR customers stating that they used offshore jurisdictions for security reasons, tax reasons and to minimize the book keeping for their entities.

Summary of findings and observations:

- I. We found several similar risks in Swedbank Estonia as mentioned in the Report on the Non-Resident Portfolio at Danske Bank's Estonian branch of 19 September 2018. We also identified similar risks as publicly known findings from the Deutsche Bank money laundering probe in 2017. There is an obvious risk that employees in Swedbank Estonia might have colluded with customers or facilitated the customers suspicious transactions and activities in Swedbank Estonia.
- II. The management in Swedbank Estonia failed to comply with core AML obligations, enabling HRNR customers to misuse the bank for money laundering purposes. Numerous of the HRNR customers from Russia should have been rejected any services or products from the bank due to false information or lack of proper information of beneficial owners, source of funds, nature of business and more.
- III. We have not been able to find any obvious explanation why the management decided to report only a limited number of suspicious transactions and activities from HRNR customers to the FIU in Estonia.

Executive summary

In our opinion, the investigation conducted by the GSI Estonia in September 2018, did not include any description of obvious breaches of the AML obligations by members of High-Risk Acceptance Committee and the management team.

- The management of the bank accepted to engage with numerous HRNR customers, thus allowing the customers to use the bank for questionable transactions and activities, circumventing core AML obligations. The management accepted to increase the number of HRNR customers from 2009. Our impression is that he HRNR customers became some of the most profitable customers for Swedbank Estonia.
- Numerous HRNR customers were onboarded despite the lack of information regarding beneficial owners, corporate structure, source of funds and the real nature and purpose of the business relationships. Difficulties to obtain confirmation of entities from Russia and offshore jurisdictions, made it difficult to verify information provided by representatives of the customers. A significant number of the HRNR customers should never have been onboarded and should have been denied business with the bank by the High-Risk Acceptance Committee and the management team.
- The management had access to information, revealing that numerous of the HRNR customers were registered in the client database of the bank without the information of the suspected beneficial owners. The lack of information or false information given of beneficial owners, could lead to risk of non-compliance with sanction screening obligation.
- Several of the HRNR customers made numerous transactions with Swedbank that included obvious indicators of suspicious transactions and activities. There are no traces found of any proper investigation done by the bank of several of the suspicious transactions or activities from customers in the HRNR portfolio. The bank failed to register or store eventual adequate documentation of such investigations.



Executive summary

- There is no credible explanation given why the bank did not report obvious suspicious transactions and activities in the HRNR portfolio.

- In our view, the management failed to ensure proper internal controls in order to effectively prevent, mitigate and manage risks of money laundering and financing of terrorism.

- HRNR customers conducted significant FX trades for several years (in for example Rubles, USD, EUR and GDP) without the bank ensuring that they had adequate knowledge of the purpose, real nature of business, the beneficial owners and source of funds.

- We are not sure that the bank has provided the FIU, the FSA, or the police, with all relevant information of the breaches of AML obligations identified in Swedbank Estonia, the volume of suspicious transactions/activities, the nature of the suspicious activities, the names of possible beneficial owners involved, or the links to the ongoing investigation of Danske Bank and Deutsche Bank. Lack of proactive information to authorities, based on factual information of the HRNR portfolio, can lead to risk of reputational damage to the bank. **We advise Swedbank to inform the authorities in Estonia immediately, and to make a thorough investigation of Swedbank Estonia based on the preliminary findings of major breaches of AML obligations in the High Risk Non-Resident portfolio.**

Executive summary

Background

In February 2017, Advokatfirmaet Erling Grimstad AS was given a mandate to investigate matters in relations to a group of Swedbank client relationships, referred to as the Focus Group Clients. Those clients consist of a group of clients related to [REDACTED] and [REDACTED] suspected to have been using the bank for money laundering purposes. In October 2018 we were asked by Swedbank AB to continue the investigation as a result of public known information from the Report in the Non-Resident Portfolio at Danske Bank's Estonian branch. We are asked to give our first Status Report from the investigation in December 2018.

Objectives

The objectives of our investigation from October 2018 has mainly been to conduct an assessment of the internal investigation of employees by Swedbank Estonia 19 September 2018 as a response to the results from the investigations in Danske Bank.

Swedbank Estonia have failed to comply with core AML obligations in the High Risk Non-Resident portfolio

The bank accepted customers posing high risk of money laundering

- The management decided to provide services for HRNR customers despite the risk of being exposed to money laundering. A few employees, supervised by the High-Risk Customer Acceptance Committee of Swedbank Estonia, was appointed to serve those HRNR customers.

KYC obligations failed

- The real beneficial owners of several of the HRNR customers are unknown to us.
- The Compliance Department of Swedbank Estonia failed to ensure that the business unit (first line of defence) fulfilled their KYC obligations when onboarding HRNR customers. The Compliance Department of Swedbank Estonia failed to identify circumstances of non-compliance of core AML obligations when onboarding HRNR customers.
- A number of the HRNR customers did not fulfil their obligations to provide information of the nature of business, business structure, source of funds, beneficial owners and more. The lack of such information should have led to denial of any services from the bank. The bank also failed to refuse transactions.

Monitoring of HRNR customers failed

- Due to the lack of information of several of the HRNR customers source of funds, nature of business, beneficial owners and more, the bank failed to ensure sufficient information needed to monitor the customers transactions and activities.
- The bank failed to investigate suspicious transactions and activities on numerous occasions. We found no documentation proving that the bank conducted investigation, despite indications of suspicious transactions and activities. Such indicators includes the use of fictional loan agreements and repayments, false invoicing, the use of public known proxies and connection to several public known money laundering schemes (see examples described in appendix).

The bank failed to report suspicious transactions and activities

- The bank failed to report obvious suspicious transactions and activities on numerous occasions.

AML program and internal control

- The AML program was inadequate and the bank did not carry out adequate and factual AML risk assessment. There was confusion as for the roles and responsibilities for AML monitoring. The bank had a poor AML compliance culture and failed to maintain an adequate AML control framework.

Executive summary

- Extracts from the Internal Audit reports on AML

Overview of some of the Internal Audit reports on AML

These are some examples of findings from the **Internal Audit** reports from 2006 on AML issues:

- 2006: It is not possible to verify shareholders and/or real beneficial owners of offshore companies.
- 2007: AML program has raised the question of risk-awareness in Swedbank, but it is to be noticed that risk profile is changing as Swedbank is becoming truly international bank (e.g., increasing amount of payments to Baltics, Russia). There are still insufficient evidence of CDD carried out in process of currency exchange and insufficiencies in CDD applied to HRNR customers.
- 2008: KYC process and AML/CTF training evaluated and considered to be functioning.
- 2009: AML functions evaluated as well-function in Swedbank Group. The PEP acceptance process contains inefficiencies (overlapping controls). The internal regulations will be updated by Aivar Paul, Head of AML and Fraud Control Department and others.
- 2010: The risk based approach principles are implemented in Baltic Banking and assessed as satisfactory.
- 2011: The AML function does not analyze and monitor the loans' payments transferred through the Bank's transit accounts in a constant way. AML reporting routines on Baltic Banking level will be established in 2011. Governance, risk management and internal control in AML area in Baltic Banking are evaluated as *requires improvement* (G-2011-13706).
- 2012: The audit plan listed AML as one of 10 areas of Internal Audit Focus for GIA.
- 2013: Baltic Banking are missing consistent routines for timely identification of foreign PEPs among existing customers. AML process in Baltic Banking are evaluated as *require improvements* (G-2013-15126)
- 2014: The compliance function has not established a common group framework for the sanction process (financial sanctions).
- 2015: The sanctions data in the Bank's system is not always up to date and complete.
- 2015: In the first quarter of 2015 no monitoring has been done by Baltic Banking compliance to identify PEPs among existing customers.
- 2015: Compliance function in Estonia has not transparently and sufficiently documented monitoring activities and their outcome regarding transactions of HRNR entities as well as Private Banking customers since November 2013. The compliance role and responsibilities are not clear.
- 2016: KYC process and transaction monitoring for LC&I clients in all Baltic countries have not been sufficiently governed and implemented (G-2016-071).
- 2016: KYC renewal process has not been sufficiently set and implemented in Swedbank Estonia.
- 2016: NICE Actimize has been implemented during the first half of 2016.
- 2017: KYC procedures prior to opening a temporary account to a new corporate client have not been established in Swedbank Estonia. Major improvement required.
- 2018: The Bank has not set a clear AML/CTF strategy connected to the risk appetite.

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"The core AML obligations" for the bank:

- Conduct "Know Your Customer" (KYC) procedures before onboarding clients;
- Classify clients based on a risk-based approach;
- Perform monitoring of transactions based on a risk-based approach;
- Investigate any suspicious transactions based on a set of indicators;
- Report suspicious transactions where the suspicion cannot be disproved by the bank; and
- Maintain an effective internal control framework to ensure compliance with the AML legislation.

Respective units, managers and employees in AS Hansabank/Swedbank Estonia 2005 - 2017



Management decisions

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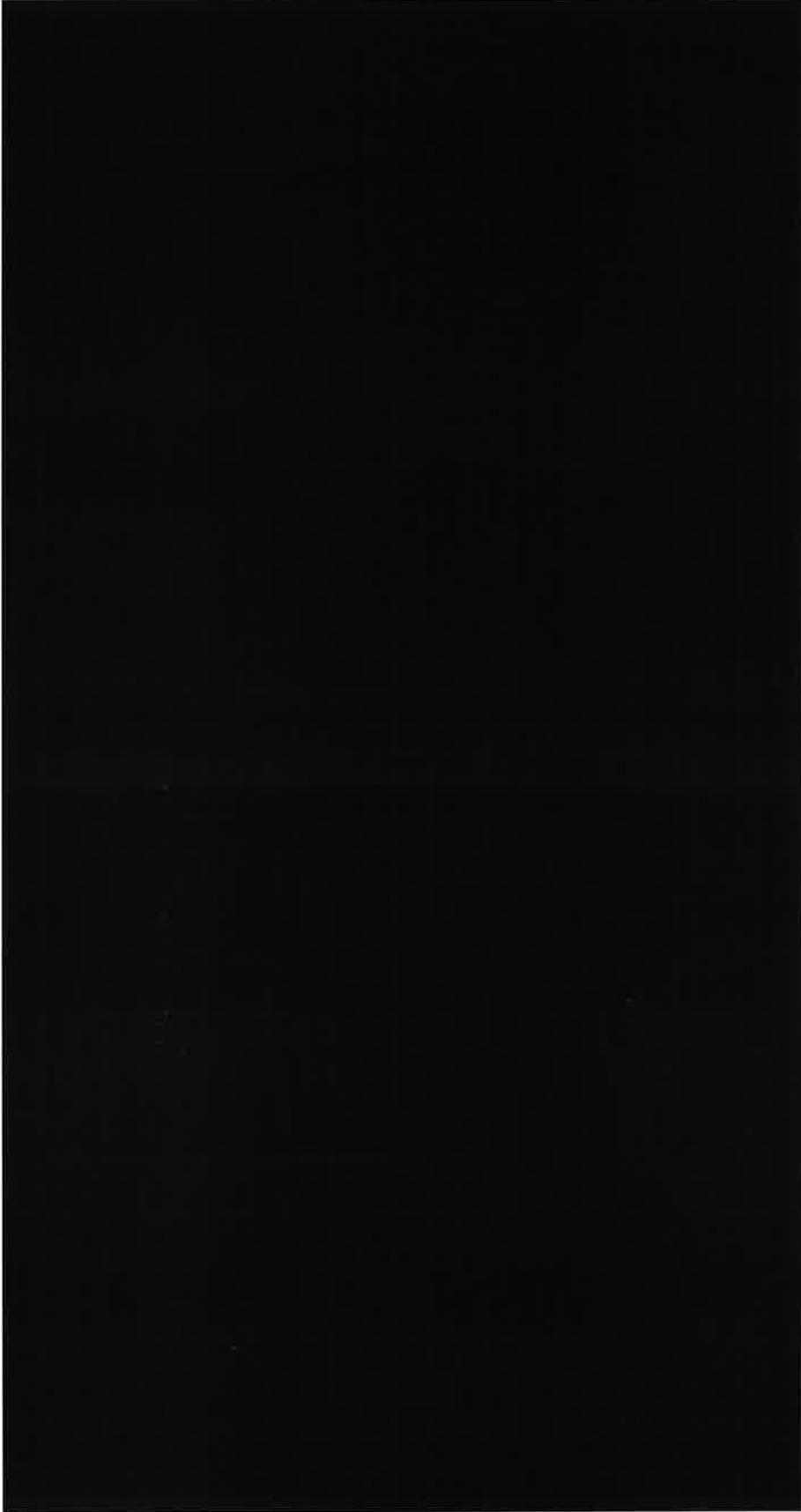
Observations

[Redacted text]

Breaches

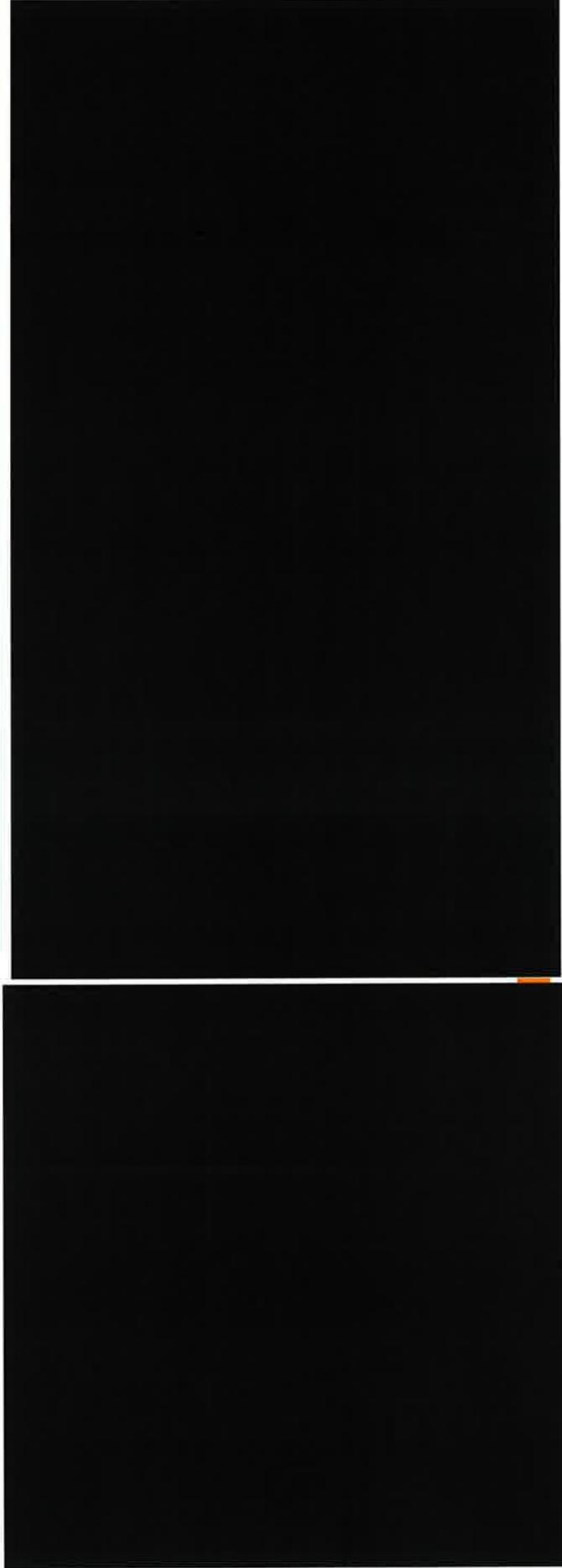
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Volume of High Risk Non-Resident customer's - Swedbank Estonia



Strategic decisions for the HRNR portfolio

Observations from strategic decisions for the HRNR customers



The onboarding of HRNR customers

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Observations

[Redacted text]

Breaches

[Redacted text]

The risk-based approach

[Redacted text]

Observations

[Redacted text]

Breaches

[Redacted text]

The HRNR customers increases the exposure to money laundering

[Redacted text]

Observations

[Redacted text]

Breaches

[Redacted text]

Red flags and warning signals

[Redacted]

Observations

[Redacted]

Breaches

[Redacted]

Monitoring of transactions and activities

[Redacted text]

Observations

[Redacted text]

Breaches

[Redacted text]

STR/SARs for the High Risk Non-Resident portfolio in Estonia from 2008 to 2017



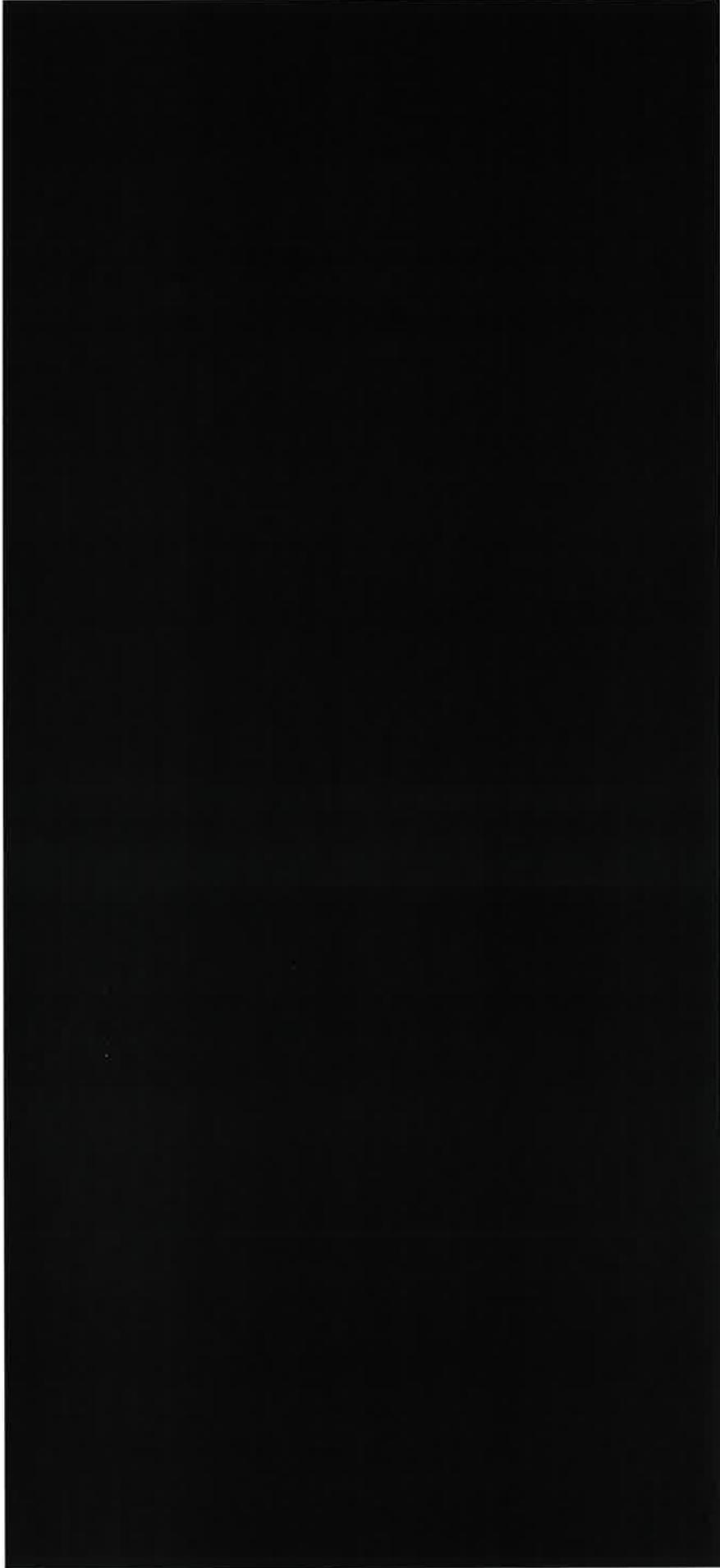
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Basic guidance to avoid shortcomings in AML compliance:*

- i. Leadership should be engaged
- ii. Compliance should not be compromised by revenue interests
- iii. Information should be shared throughout the organisation
- iv. Leadership should provide adequate human and technological resources
- v. The program should be effective and tested by an independent and competent party

* FIN-2014-A007: Advisory to U.S. Financial institutions on promoting a culture of compliance

Recommendations



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Examples of observations of suspicious transactions and activities



Swedbank Estonia *protects* some of the HRNR customers from authorities in Russia



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Example:



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Example:

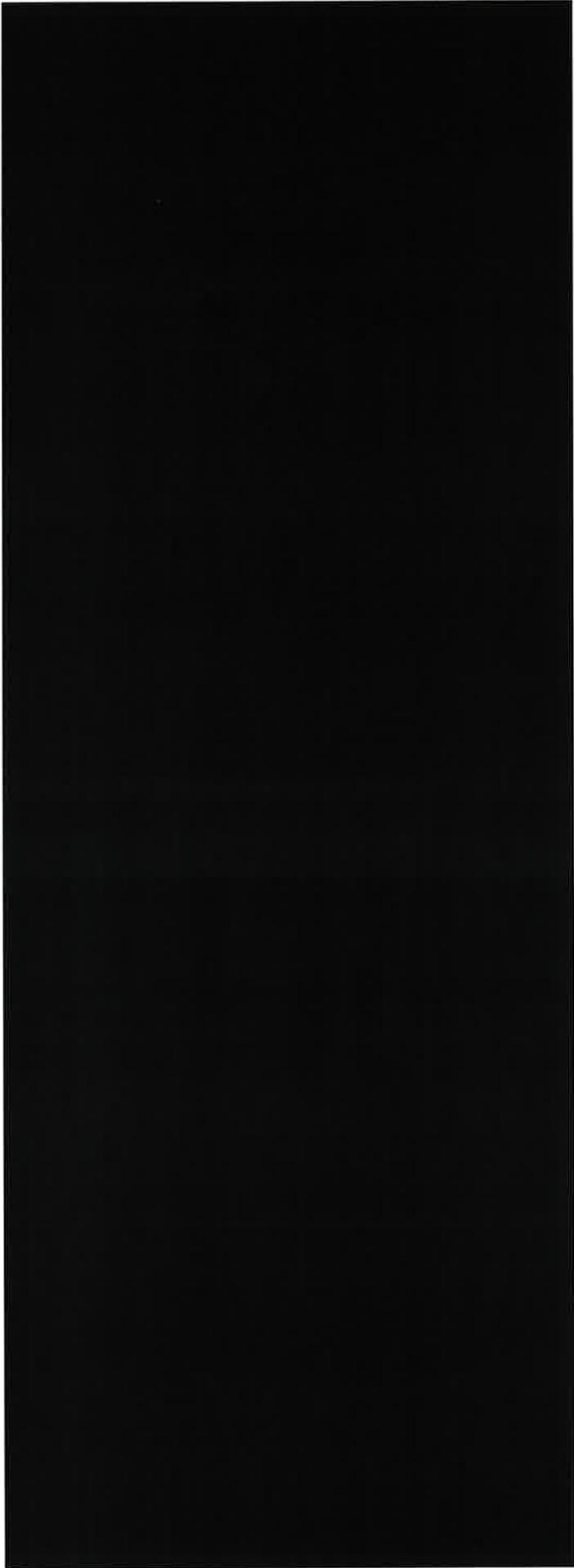
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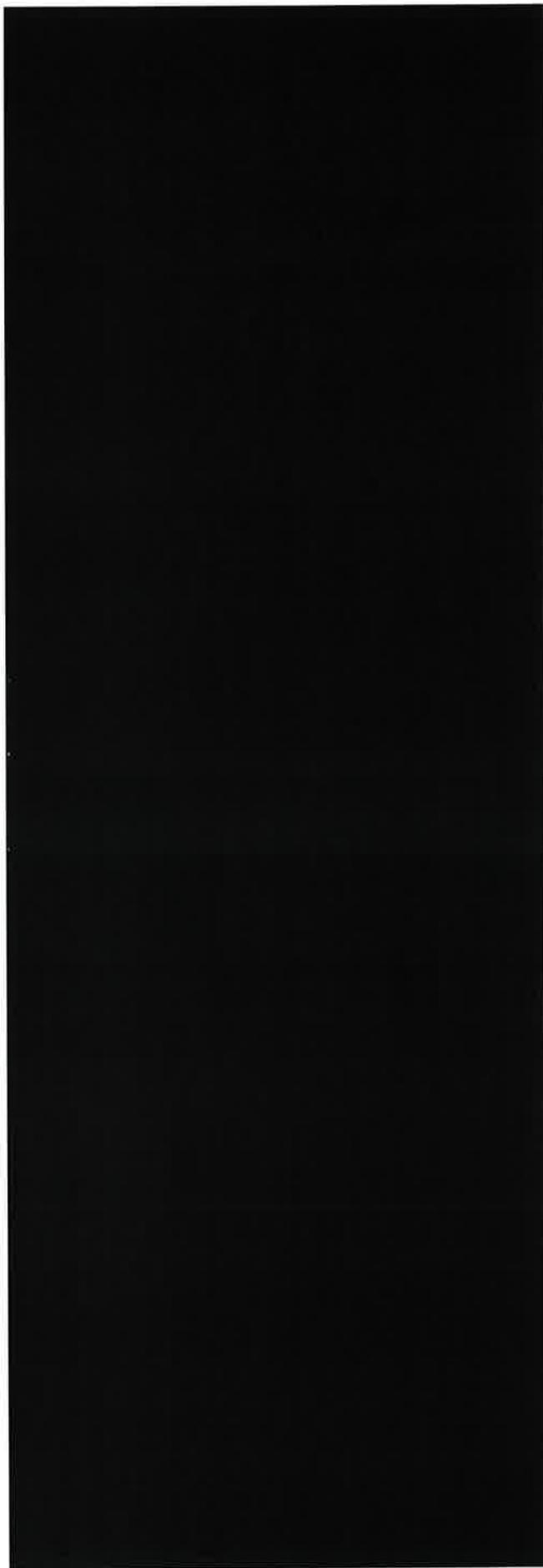
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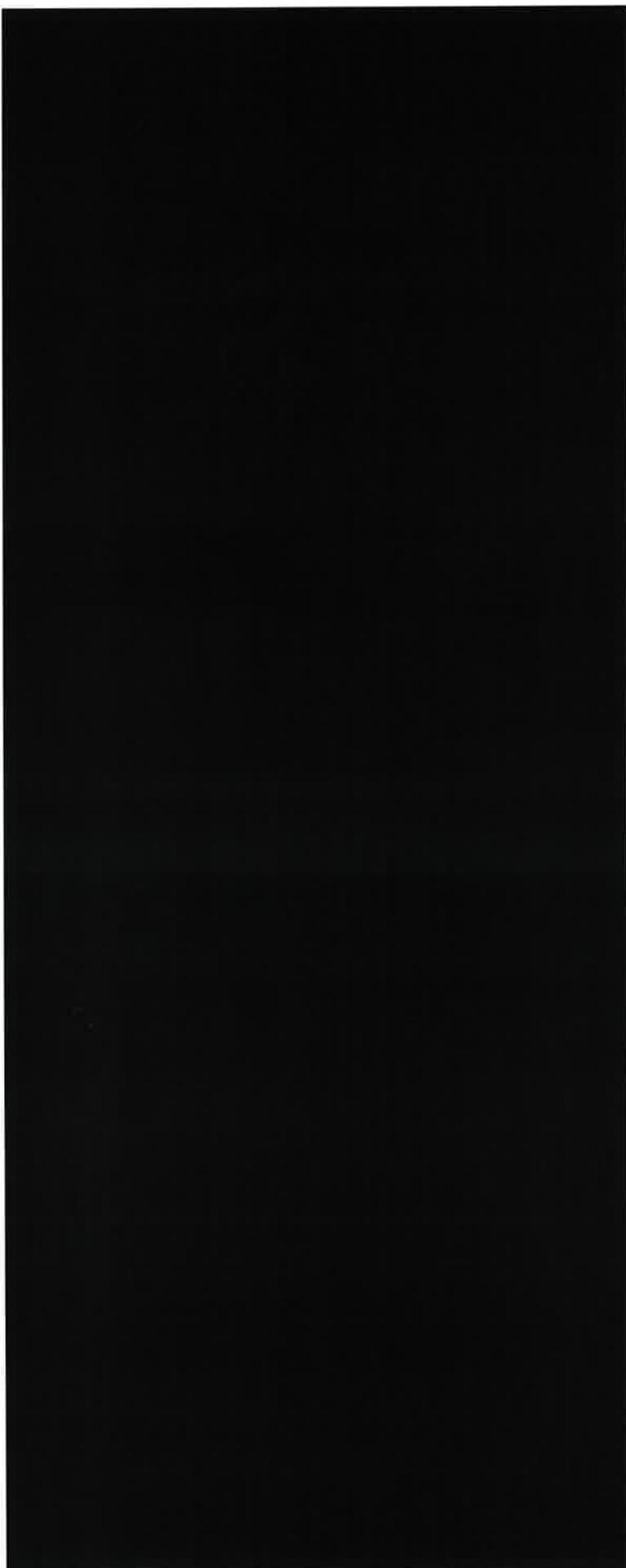
[REDACTED] and [REDACTED] might have been the beneficial owners of several of the Bank's HRNR customers



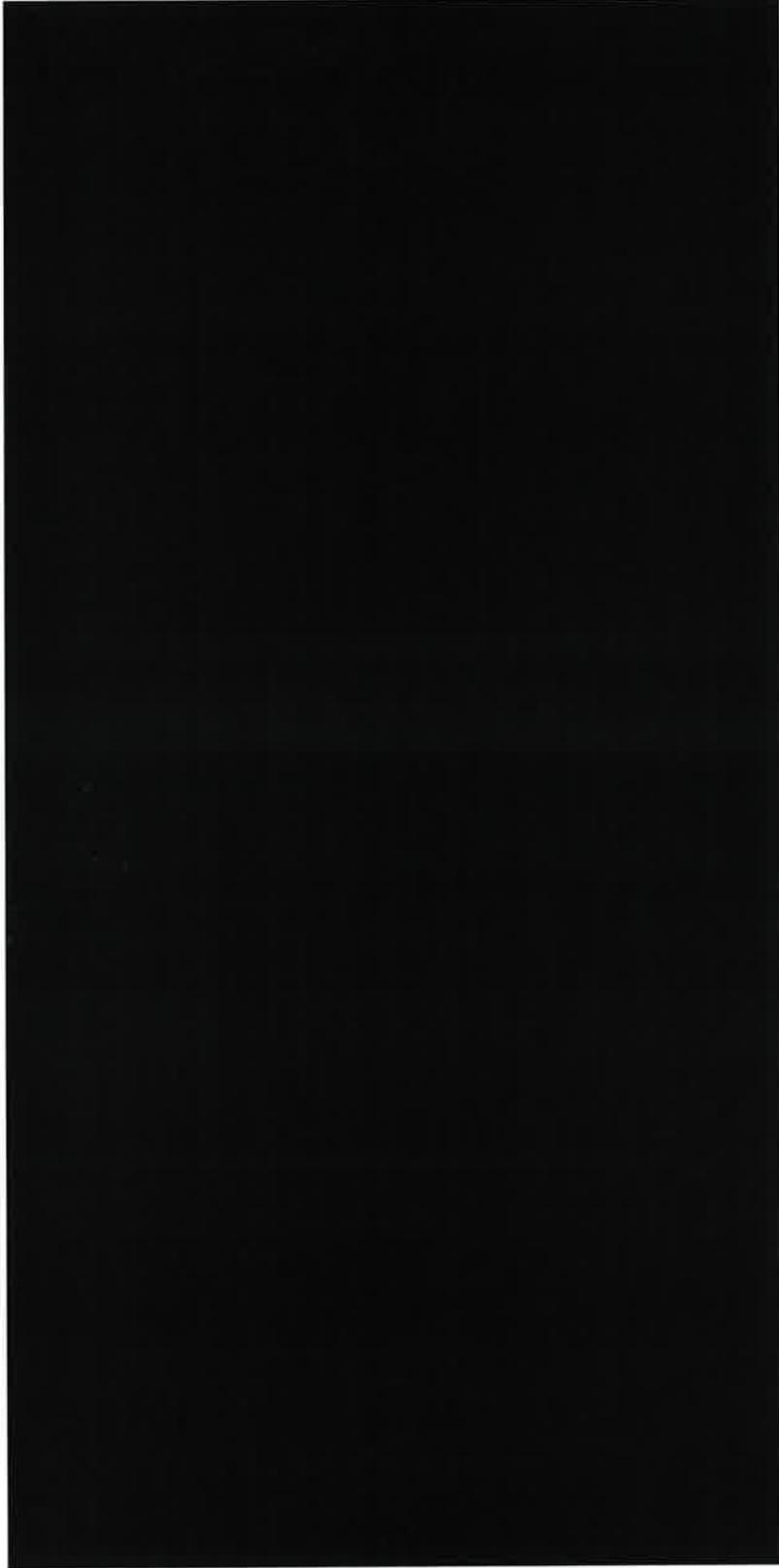
The use of proxies registered as representatives of several HRNR customers, gives suspicion of money laundering



Proceeds from the Magnitsky case – Hermitage Capital Management – transferred through Swedbank



Customers of Swedbank connected to the Magnitsky case – Hermitage Capital Management



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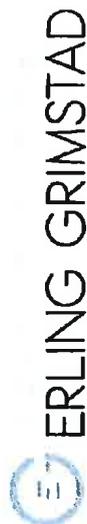
Customers of Swedbank Estonia connected to the mirror trading case of Deutsche Bank



We suspect connection with Swedbank and the Danske Bank investigation



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To: Chief Compliance Officer, Swedbank AB
From: Erling Grimstad, lawyer
Date: 10 December 2018

High Risk Non-Resident customers of Swedbank Estonia

Draft Preliminary Status Report on AML to Swedbank AB
10 December 2018

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MAJOR BREACHES OF AML OBLIGATIONS IDENTIFIED IN SWEDBANK ESTONIA

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Summary of findings and observations:

- I. We found several similar risks in Swedbank Estonia as mentioned in the Report on the Non-Resident Portfolio at Danske Bank's Estonian branch of 19 September 2018. We also identified similar risks as publicly known findings from the Deutsche Bank money laundering probe in 2017. There is an obvious risk that employees in Swedbank Estonia might have colluded with customers or facilitated the customers suspicious transactions and activities in Swedbank Estonia.
- II. The management in Swedbank Estonia failed to comply with core AML obligations, enabling HRNR customers to misuse the bank for money laundering purposes. Numerous of the HRNR customers from Russia should have been rejected any services or products from the bank due to false information or lack of proper information of beneficial owners, source of funds, nature of business and more.
- III. We have not been able to find any obvious explanation why the management decided to report only a limited number of suspicious transactions and activities from HRNR customers to the FIU in Estonia.

Executive summary

In our opinion, the investigation conducted by the GSI Estonia in September 2018, did not include any description of obvious breaches of the AML obligations by members of High-Risk Acceptance Committee and the management team.

- The management of the bank accepted to engage with numerous HRNR customers, thus allowing the customers to use the bank for questionable transactions and activities, circumventing core AML obligations. The management accepted to increase the number of HRNR customers from 2009. Our impression is that he HRNR customers became some of the most profitable customers for Swedbank Estonia.
- Numerous HRNR customers were onboarded despite the lack of information regarding beneficial owners, corporate structure, source of funds and the real nature and purpose of the business relationships. Difficulties to obtain confirmation of entities from Russia and offshore jurisdictions, made it difficult to verify information provided by representatives of the customers. A significant number of the HRNR customers should never have been onboarded and should have been denied business with the bank by the High-Risk Acceptance Committee and the management team.
- The management had access to information, revealing that numerous of the HRNR customers were registered in the client database of the bank without the information of the suspected beneficial owners. The lack of information or false information given of beneficial owners, could lead to risk of non-compliance with sanction screening obligation.
- Several of the HRNR customers made numerous transactions with Swedbank that included obvious indicators of suspicious transactions and activities. There are no traces found of any proper investigation done by the bank of several of the suspicious transactions or activities from customers in the HRNR portfolio. The bank failed to register or store eventual adequate documentation of such investigations.



ERLING GRIMSTAD

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Executive summary

- There is no credible explanation given why the bank did not report obvious suspicious transactions and activities in the HRNR portfolio.

- In our view, the management failed to ensure proper internal controls in order to effectively prevent, mitigate and manage risks of money laundering and financing of terrorism.

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- We are not sure that the bank has provided the FIU, the FSA, or the police, with all relevant information of the breaches of AML obligations identified in Swedbank Estonia, the volume of suspicious transactions/activities, the nature of the suspicious activities, the names of possible beneficial owners involved, or the links to the ongoing investigation of Danske Bank and Deutsche Bank. Lack of proactive information to authorities, based on factual information of the HRNR portfolio, can lead to risk of reputational damage to the bank and the Swedish financial system, and to the Swedish investigation of Swedbank Estonia based on the preliminary findings of major breaches of AML obligations in the High Risk Non-Resident portfolio.

Executive summary

Background

In February 2017, Advokatfirmaet Erling Grimstad AS was given a mandate to investigate matters in relations to a group of Swedbank client relationships, referred to as the Focus Group Clients. Those clients consist of a group of clients related to [REDACTED] and [REDACTED] suspected to have been using the bank for money laundering purposes. In October 2018 we were asked by Swedbank AB to continue the investigation as a result of public known information from the Report in the Non-Resident Portfolio at Danske Bank's Estonian branch. We are asked to give our first Status Report from the investigation in December 2018.

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Swedbank Estonia have failed to comply with core AML obligations in the High Risk Non-Resident portfolio

The bank accepted customers posing high risk of money laundering

- The management decided to provide services for HRNR customers despite the risk of being exposed to money laundering. A few employees, supervised by the High-Risk Customer Acceptance Committee of Swedbank Estonia, was appointed to serve those HRNR customers.
- The real beneficial owners of several of the HRNR customers are unknown to us.
- The Compliance Department of Swedbank Estonia failed to ensure that the business unit (first line of defence) fulfilled their KYC obligations when onboarding HRNR customers. The Compliance Department of Swedbank Estonia failed to identify circumstances of non-compliance of core AML obligations when onboarding HRNR customers.
- A number of the HRNR customers did not fulfil their obligations to provide information of the nature of business, business structure, source of funds, beneficial owners and more. The lack of such information should have led to denial of any services from the bank. The bank also failed to refuse transactions.

Monitoring of HRNR customers failed

- Due to the lack of information of several of the HRNR customers source of funds, nature of business, beneficial owners and more, the bank failed to ensure sufficient information needed to monitor the customers transactions and activities.
 - The bank failed to investigate suspicious transactions and activities on numerous occasions. We found no documentation proving that the bank conducted investigation, despite indications of suspicious transactions and activities. Such indicators includes the use of fictional loan agreements and repayments, false invoicing, the use of public known proxies and connection to several public known money laundering schemes (see examples described in appendix).
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Executive summary

- Extracts from the Internal Audit reports on AML

Overview of some of the Internal Audit reports on AML

These are some examples of findings from the Internal Audit reports from 2006 on AML issues:

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- 2018: The Bank has not set a clear AML/CTF strategy connected to the risk appetite.

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"The core AML obligations" for the bank:

- Conduct "Know Your Customer" (KYC) procedures before onboarding clients;
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- Perform monitoring of transactions based on a risk-based approach;
- Investigate any suspicious transactions based on a set of indicators;
- Report suspicious transactions where the suspicion cannot be disproved by the bank; and
- Maintain an effective internal control framework to ensure compliance with the AML legislation.

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Respective units, managers and employees in AS Hansabank/Swedbank Estonia 2005 - 2017



Management decisions

Observations

[Redacted content]

Breaches

[Redacted content]

Volume of High Risk Non-Resident customer's - Swedbank Estonia

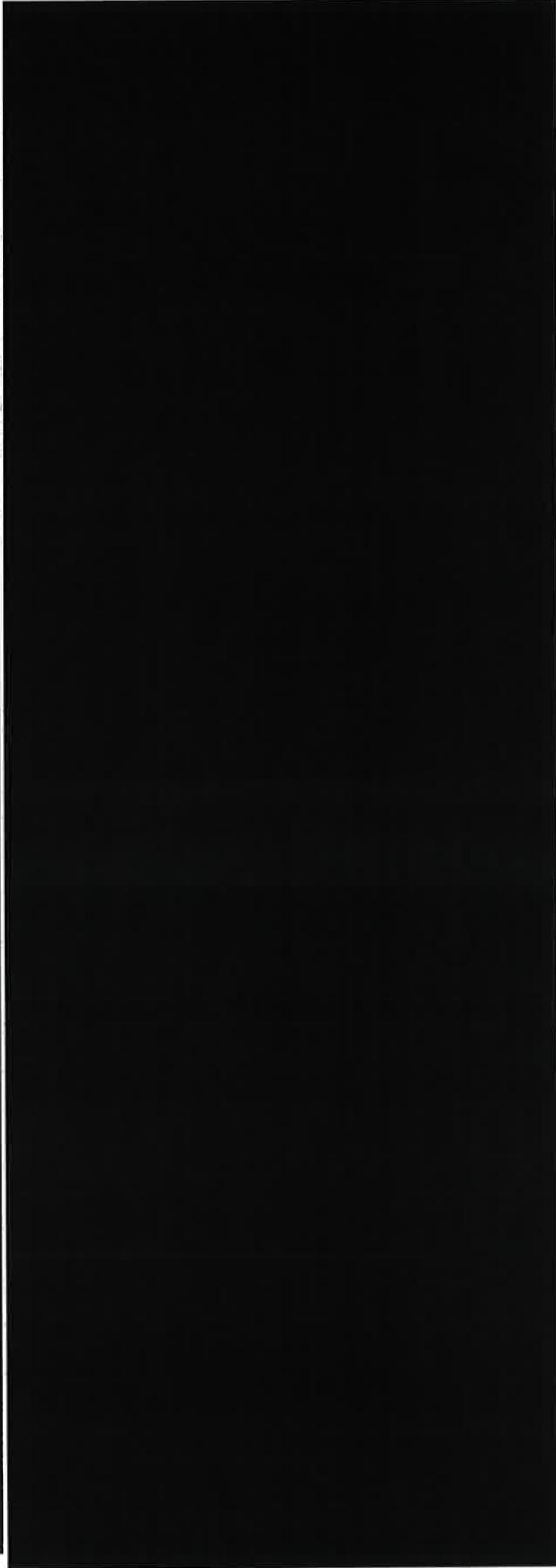


Strategic decisions for the HRNR portfolio



Strategic decisions for the HRNR portfolio (cont.)

Observations of strategic decisions for HRNR customers



The onboarding of HRNR customers

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Observations

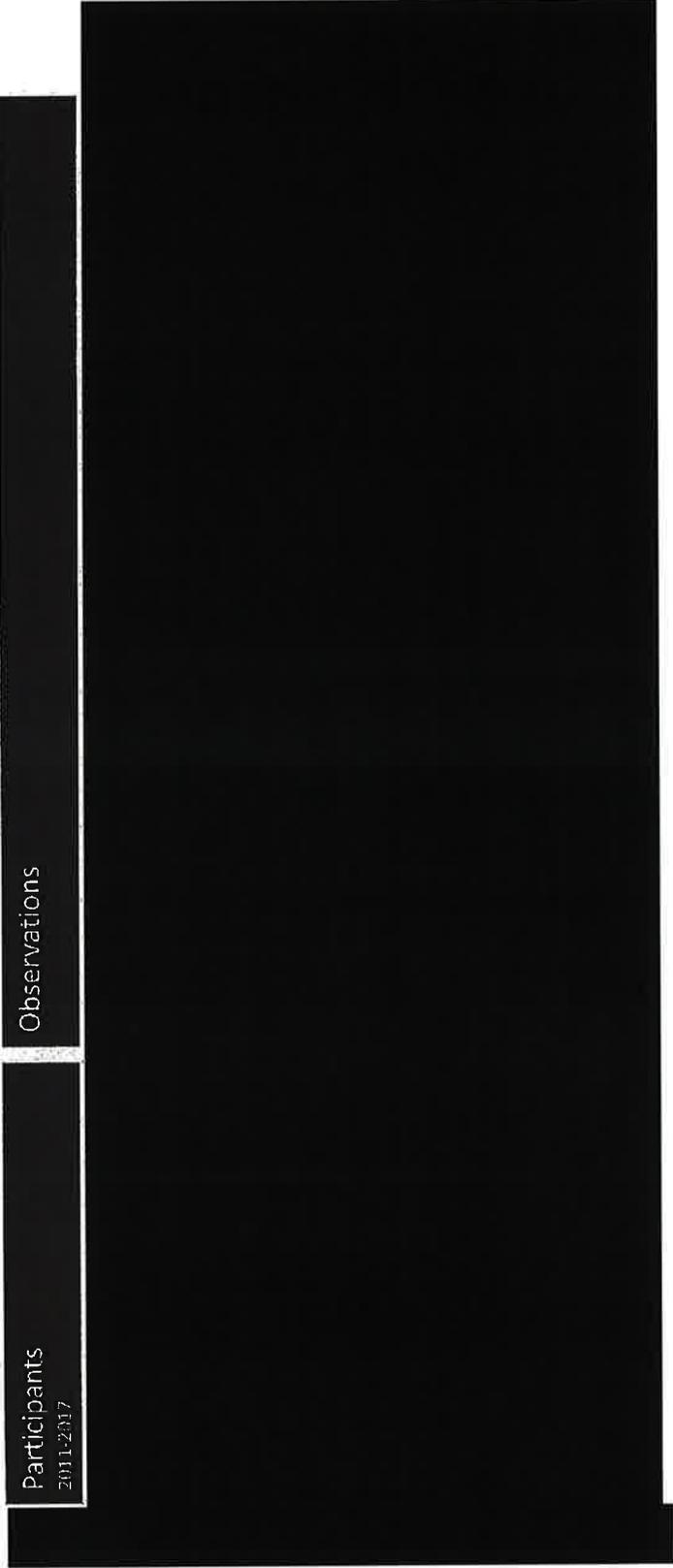
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Breaches

High-Risk Customer Acceptance Committee

Participants
2011-2017

Observations



The risk-based approach

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Observations

Breaches

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The HRNR customers increases the exposure to money laundering

[Redacted text block]

Observations

[Redacted text block]

Breaches

[Redacted text block]

2. Observations and relevant findings

2.10 Red flags and warning signals

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Red flags and warning signals

Observations

Breaches

Monitoring of transactions and activities

[Redacted]

Observations

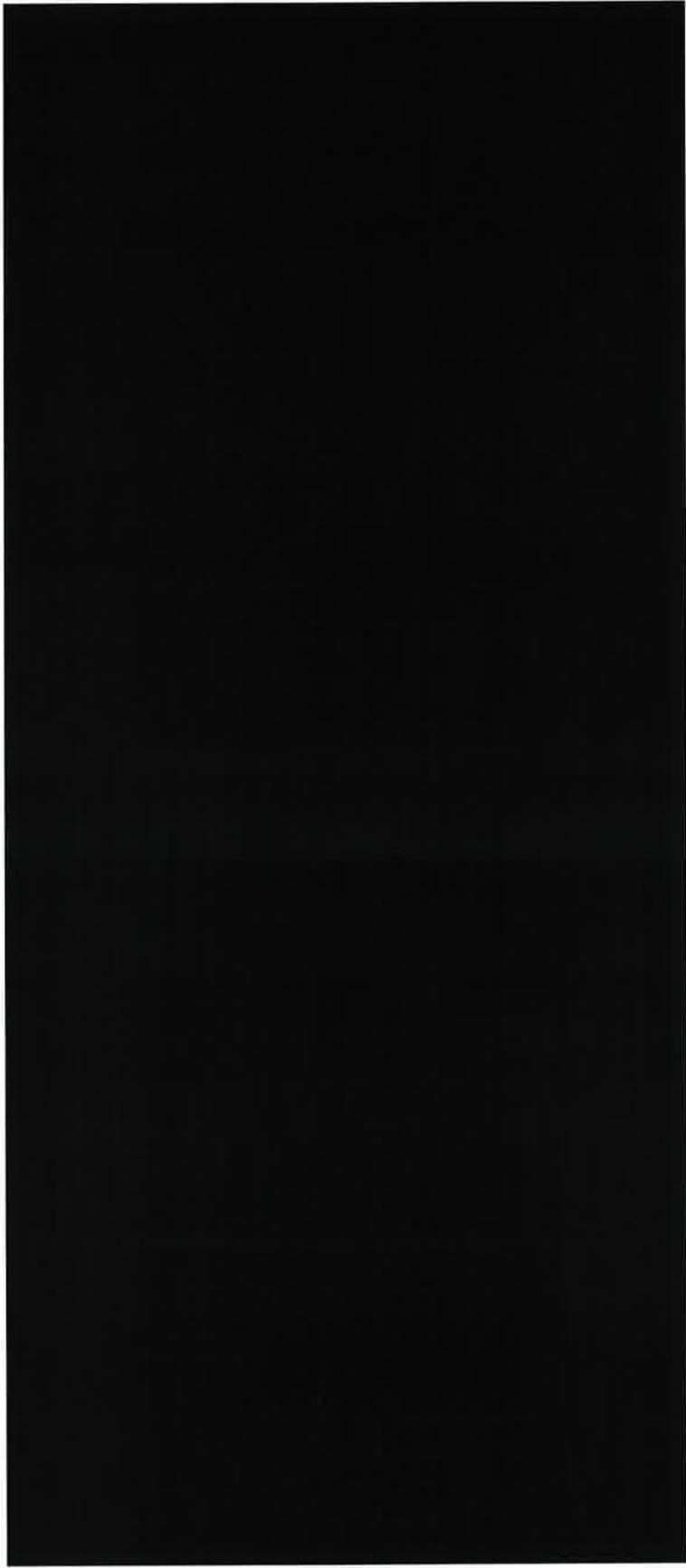
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Breaches

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STR/SARs for the High Risk Non-Resident portfolio in Estonia from 2008 to 2017



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Basic guidance to avoid shortcomings in AML compliance:*

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* FIN-2014-A007: Advisory to U.S. Financial institutions on promoting a culture of compliance

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Recommendations



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Examples of observations of suspicious transactions and activities



Example:

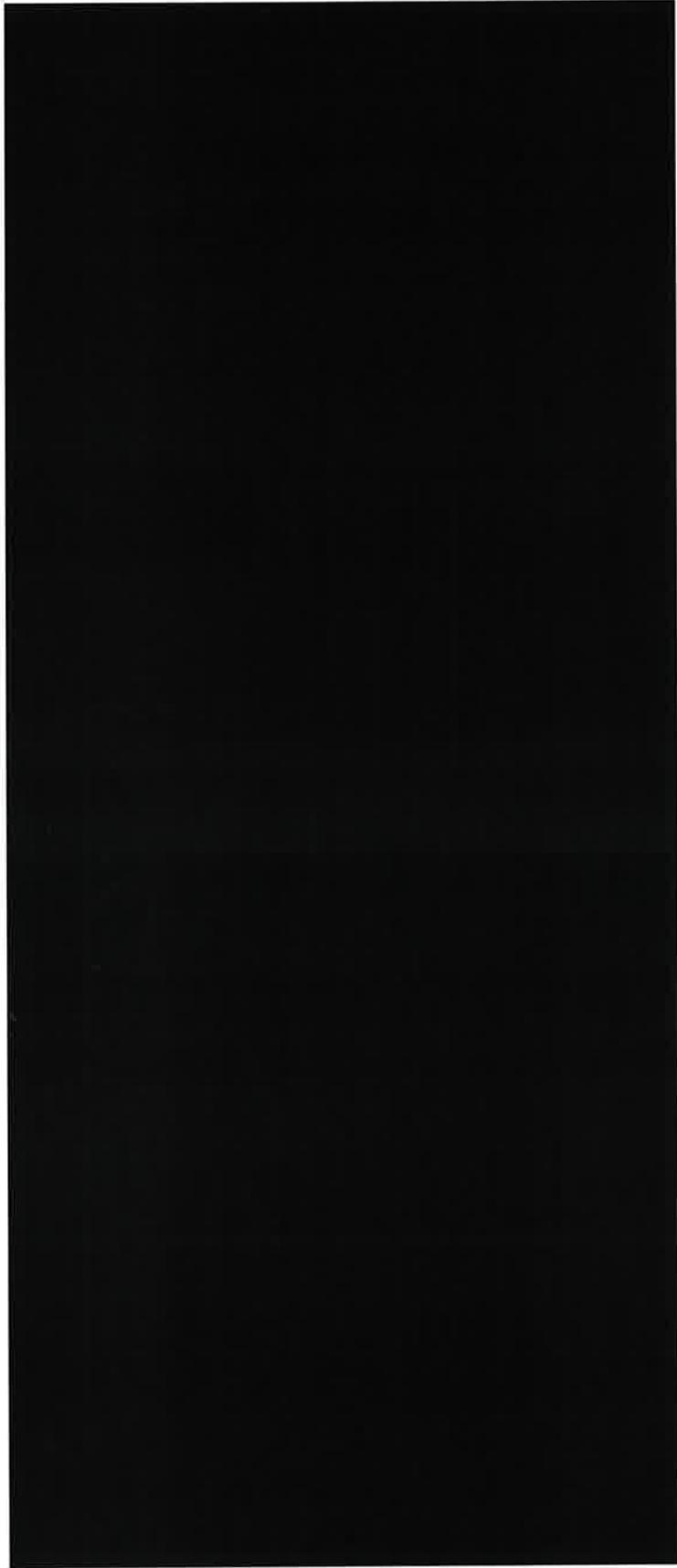


Example:

[Redacted]

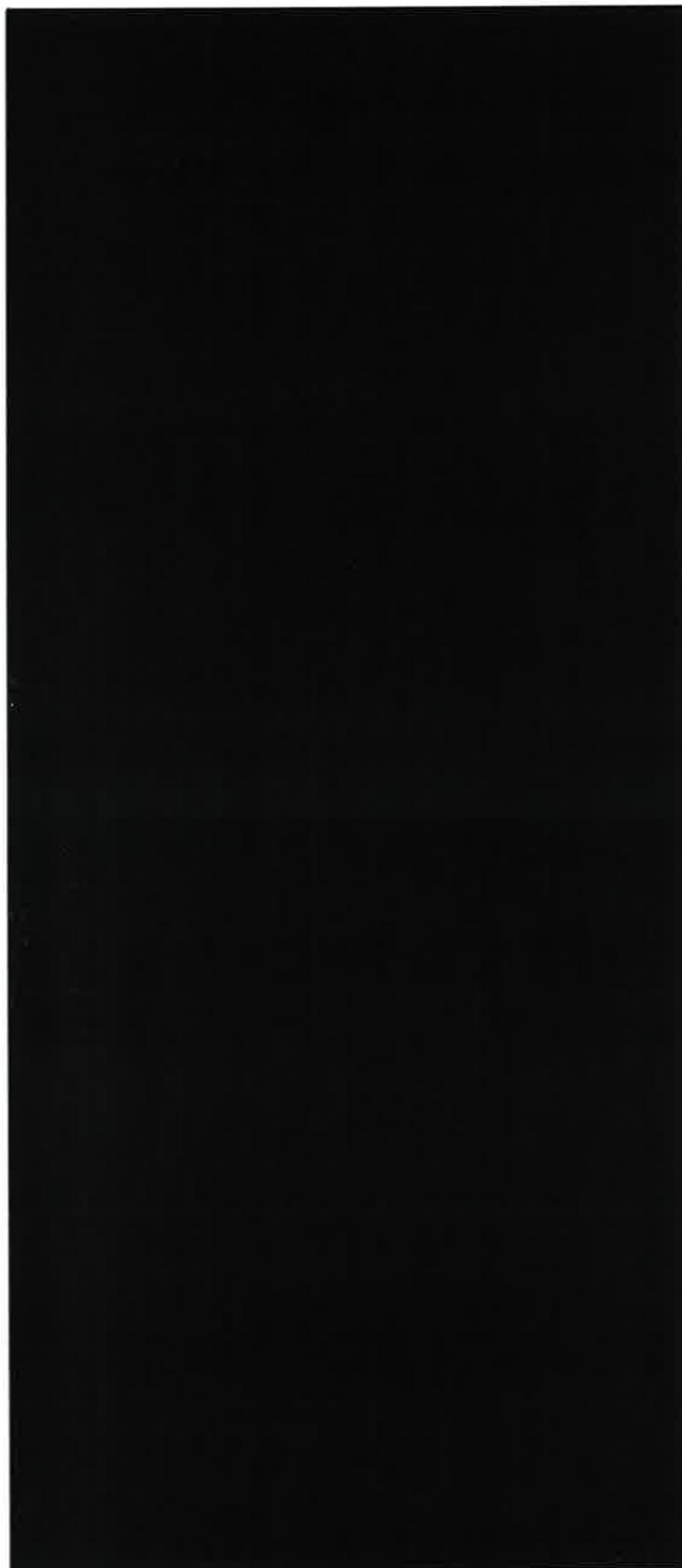
[Redacted]

██████████ and ██████████ might have been the beneficial owners of several of the Bank's HRNR customers



© © © © ©

Customers of Swedbank connected to the Magnitsky case – Hermitage Capital Management



Customers of Swedbank Estonia connected to the mirror trading case of Deutsche Bank



_____ C C C

We suspect connection with Swedbank and the Danske Bank investigation



1. Executive summary
2. Observations and relevant findings
3. Recommendations
4. Appendix
5. **Comments from the Bank**

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MEMO re certain issues related to High Risk Non-Resident Customers of Swedbank Estonia

2019-01-25

Prepared by Swedbank Compliance

1. Background

In July/August 2018 Swedbank Compliance initiated an investigation in order to identify if former or current employees of Swedbank Estonia might have been connected to clients or transactions that could expose Swedbank to heightened risk situations in the light of what was informed in media around the Danske Bank case, and especially taking into account alleged money laundering and wrongdoings from employees in Danske Bank. The investigation was not only limited to transactions or client responsibilities etc. connected to Danske.

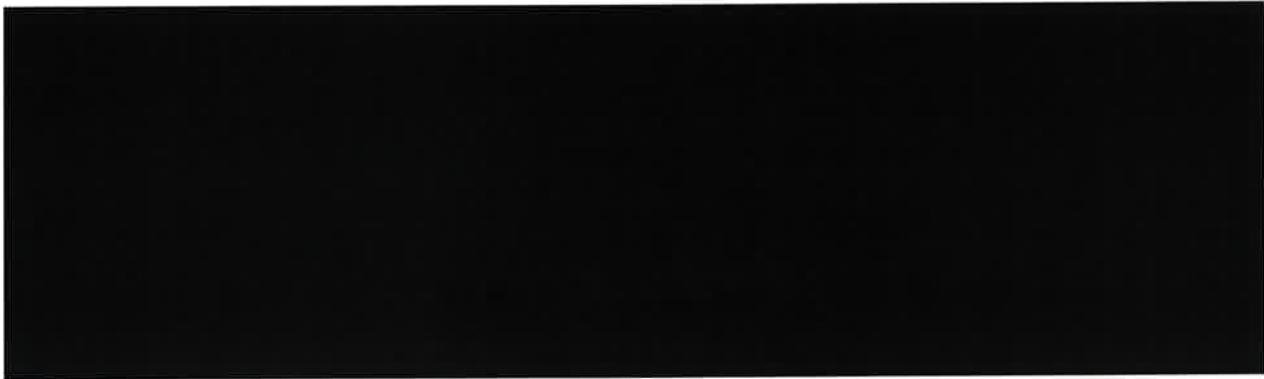
The investigation was handled by the CEO of Swedbank Estonia with assistance from GSI within Baltic Banking/Estonia ("Internal report"). The Internal report was issued 2018-09-27 (see section 2).

Hereafter Compliance decided to engage an external law firm in order to review the Internal report from Estonia, but also to further investigate possible AML violations and possible wrongdoings and liabilities for employees in respect of certain High Risk Non-Resident clients (HRNR) in Swedbank Estonia. The reason for taking over the internal investigation was due to possible conflicts of interest within Swedbank Estonia, including GSI. The law firm delivered a draft report 2018-12-10 based on the assignment (see section 3) and which included certain recommendations.

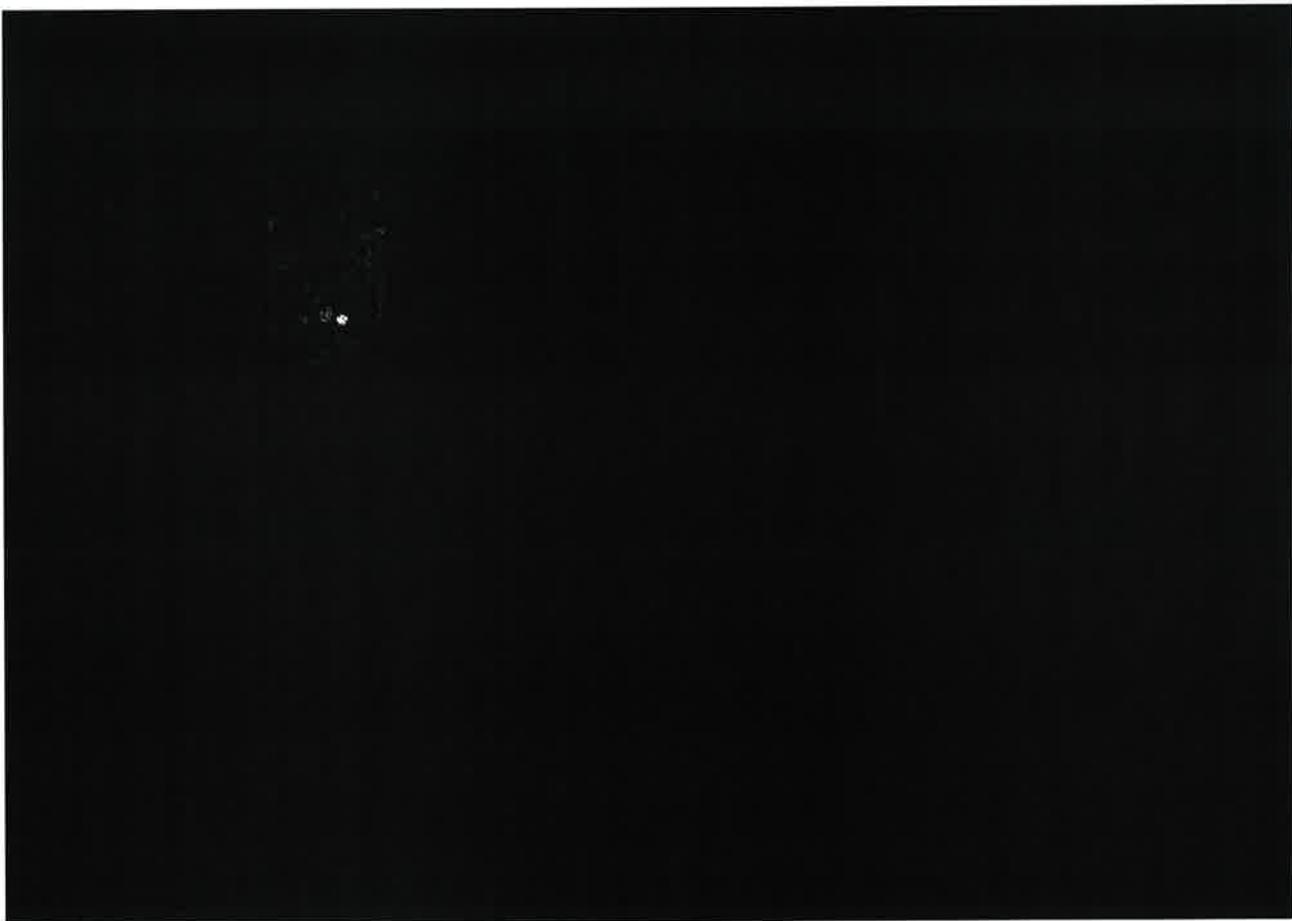
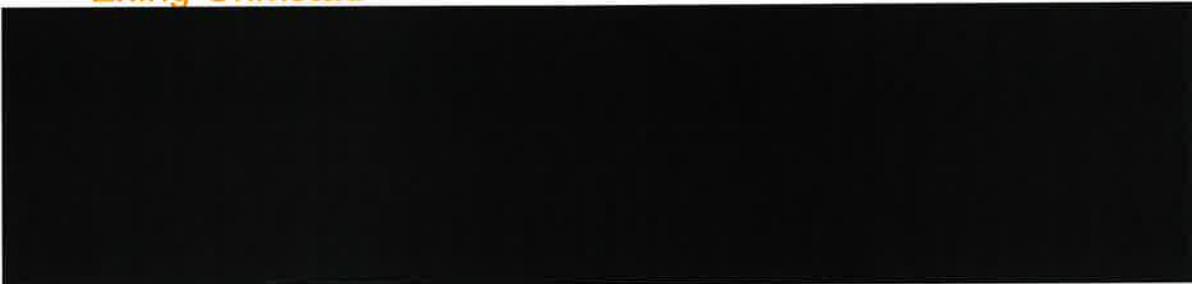
This memo sets out the recommendations from the external law firm, and comment on them from the Group's perspective also taken into consideration meetings and discussions with the law firm, the last such meeting on 2019-01-15. Thus, below Swedbank sets out its view on the recommendations as well as its actions and reasons why Swedbank currently will not follow a recommendation, as the case may be. The standpoints as set out in this memo might need to be revised based on developments and/or if new information or circumstances would occur (section 4 below).

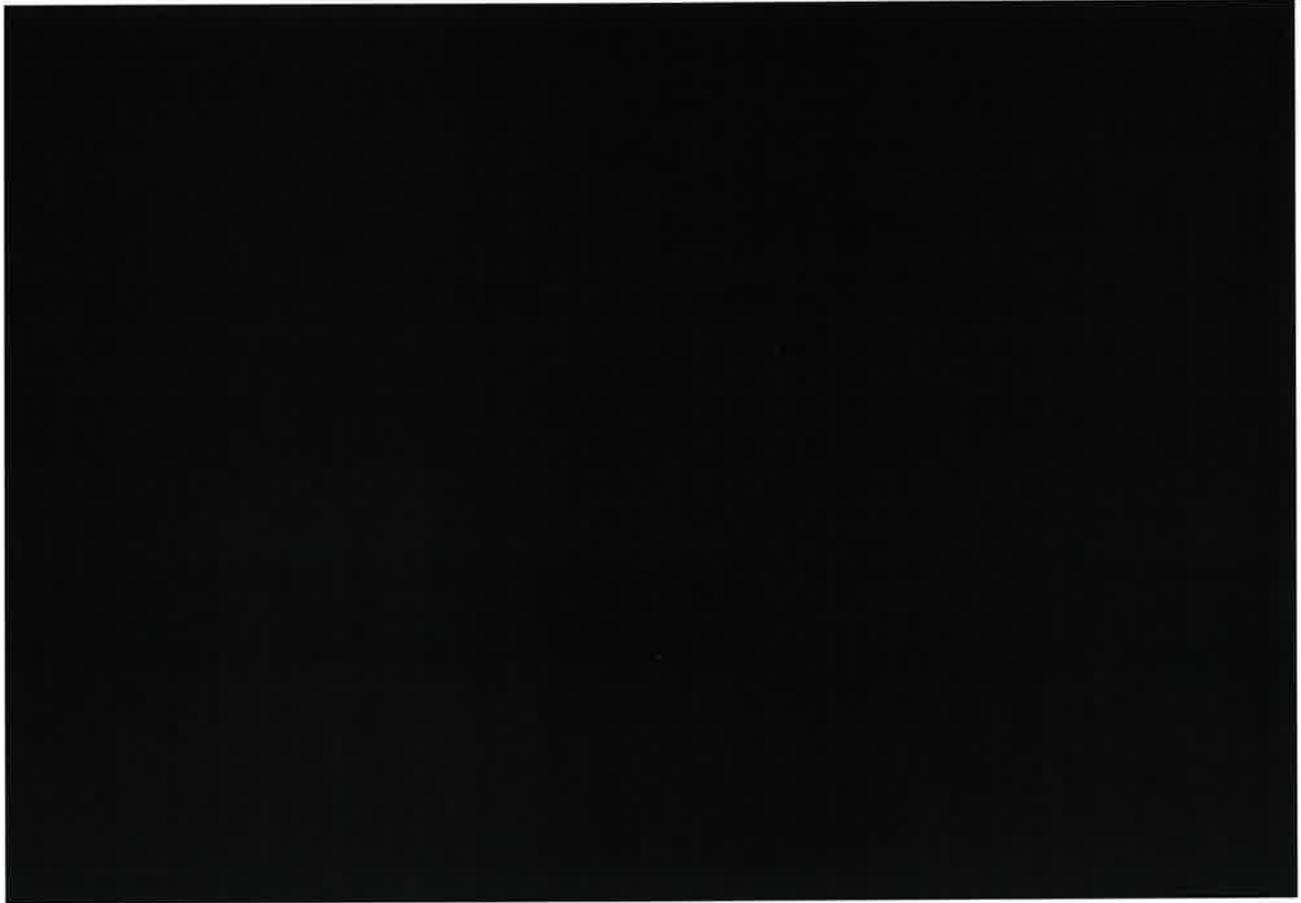
2. Investigation and analysis by GSI Estonia





3. Investigation and analysis by Advokatfirmaet (Law firm)
Erling Grimstad

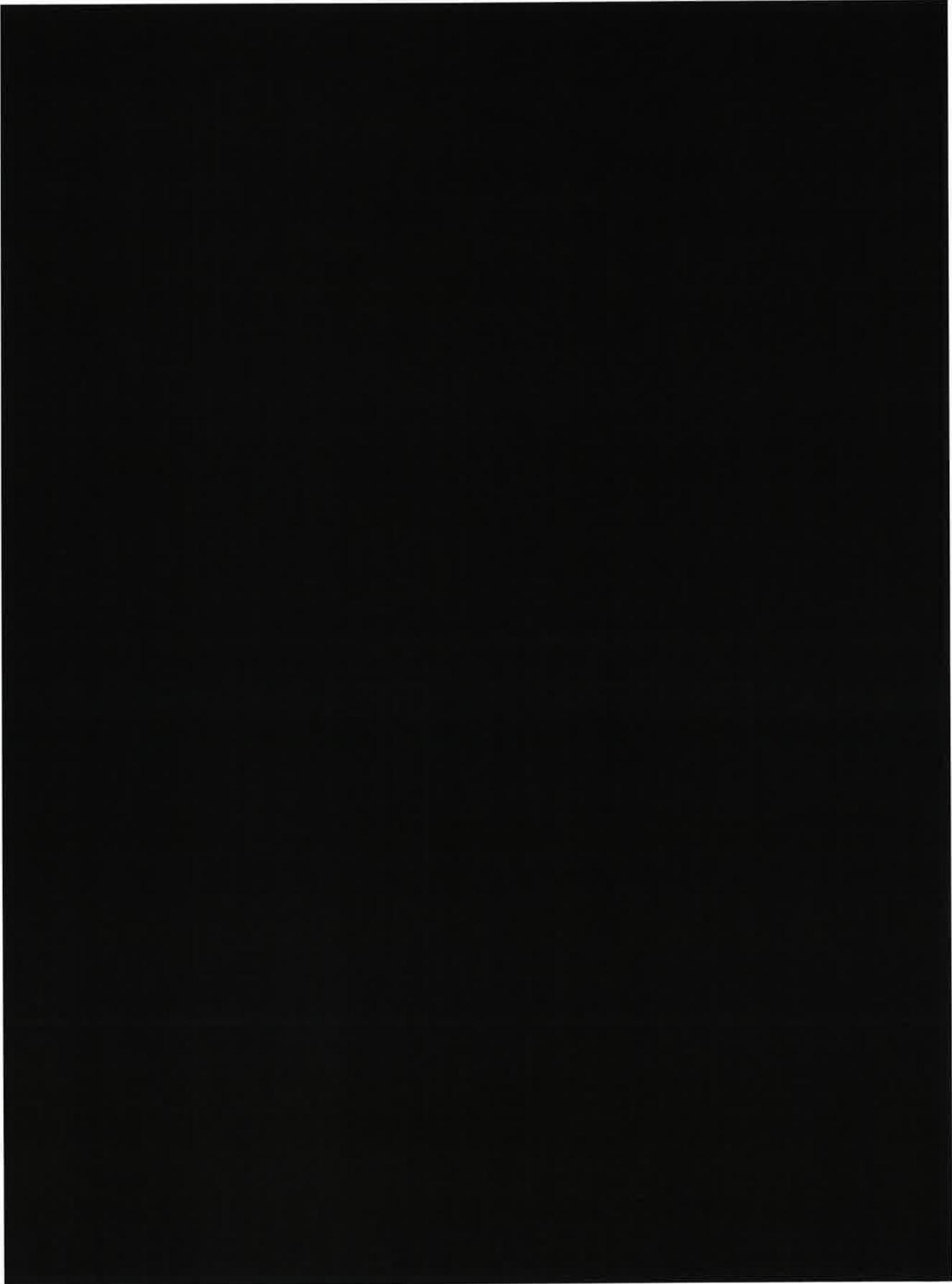


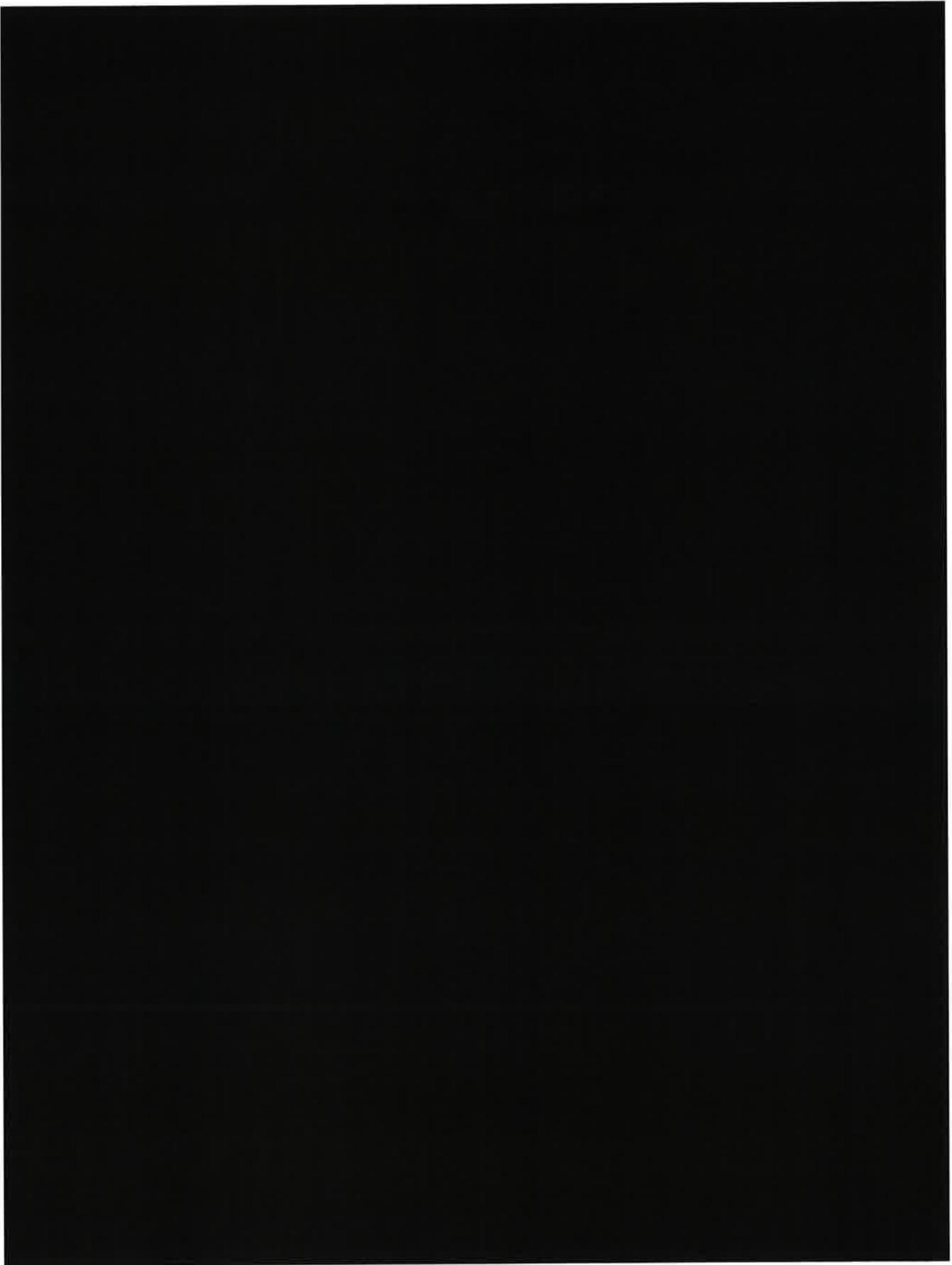


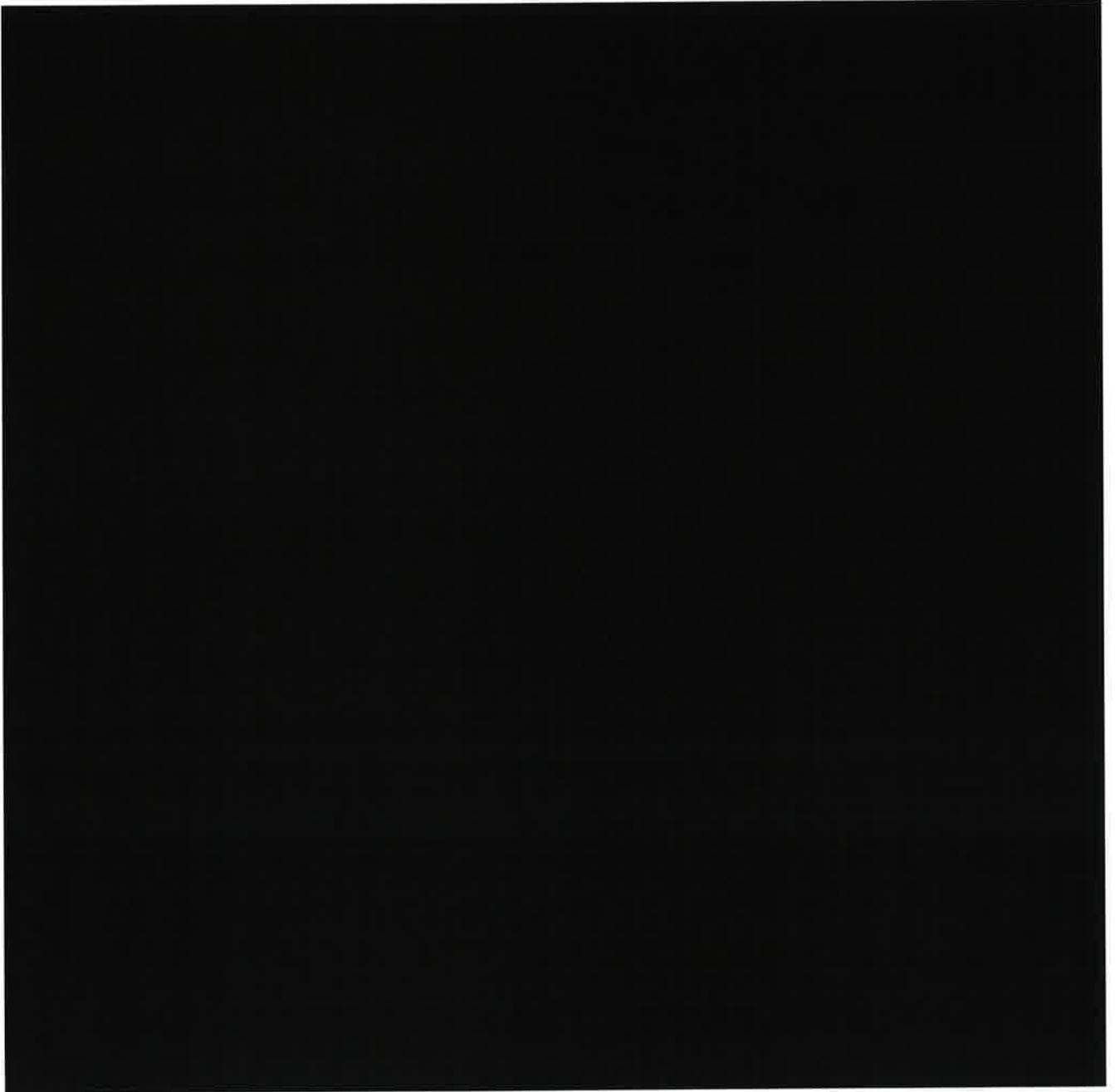
4. Recommendations by Advokatfirmaet (Law office) Erling Grimstad and the banks considerations and actions based thereon











Chief Compliance Officer

Swedbank AB
Swedbank Compliance

To be sent by email to: Cecilia.hernqvist@swedbank.com and
hakan.bengtsson@swedbank.com

Attorney in charge: Erling Grimstad
Oslo, 30 January 2019

COMMENTS TO THE MEMO RE. CERTAIN ISSUES RELATED TO HRNR CUSTOMERS OF SWEDBANK ESTONIA

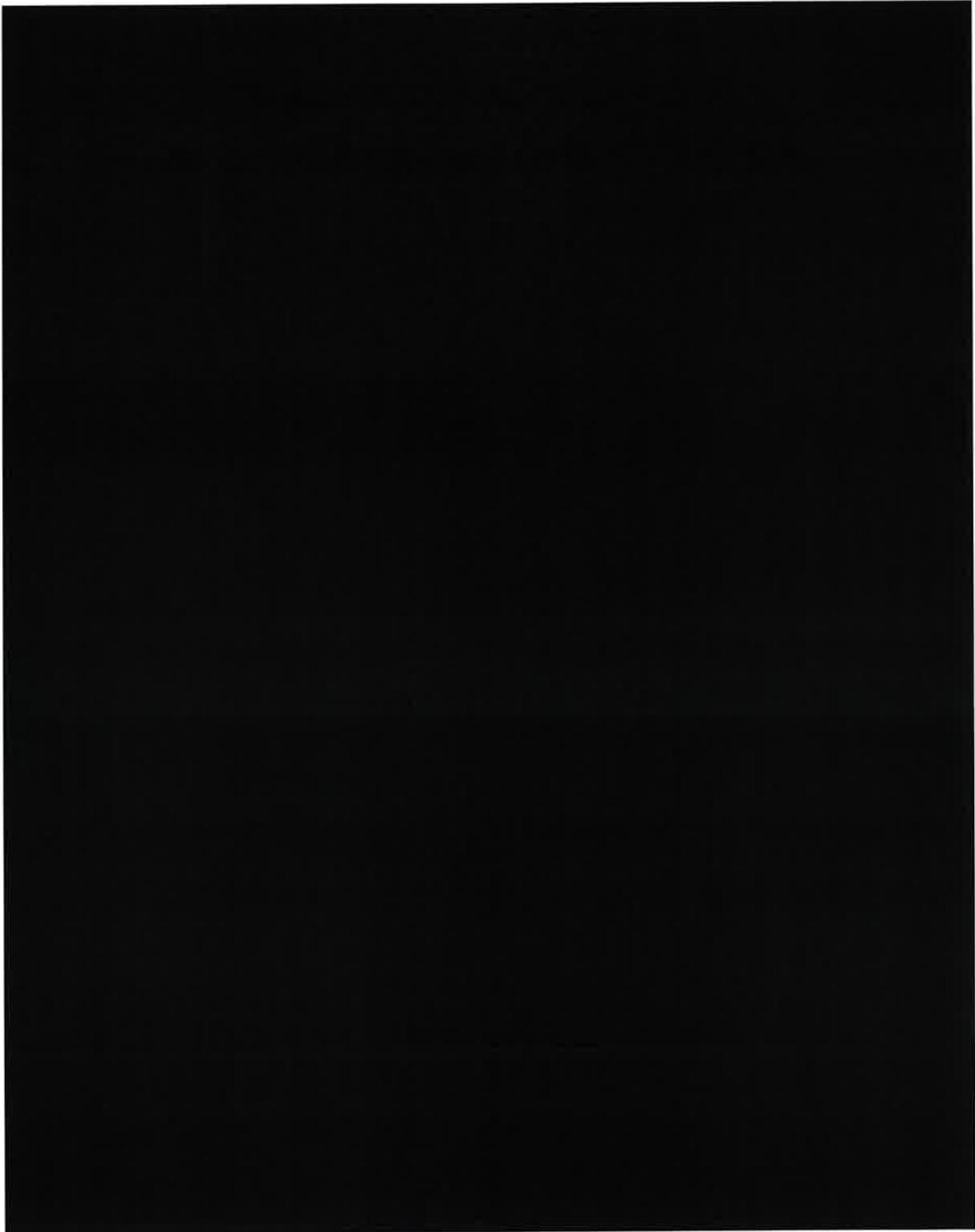
Background

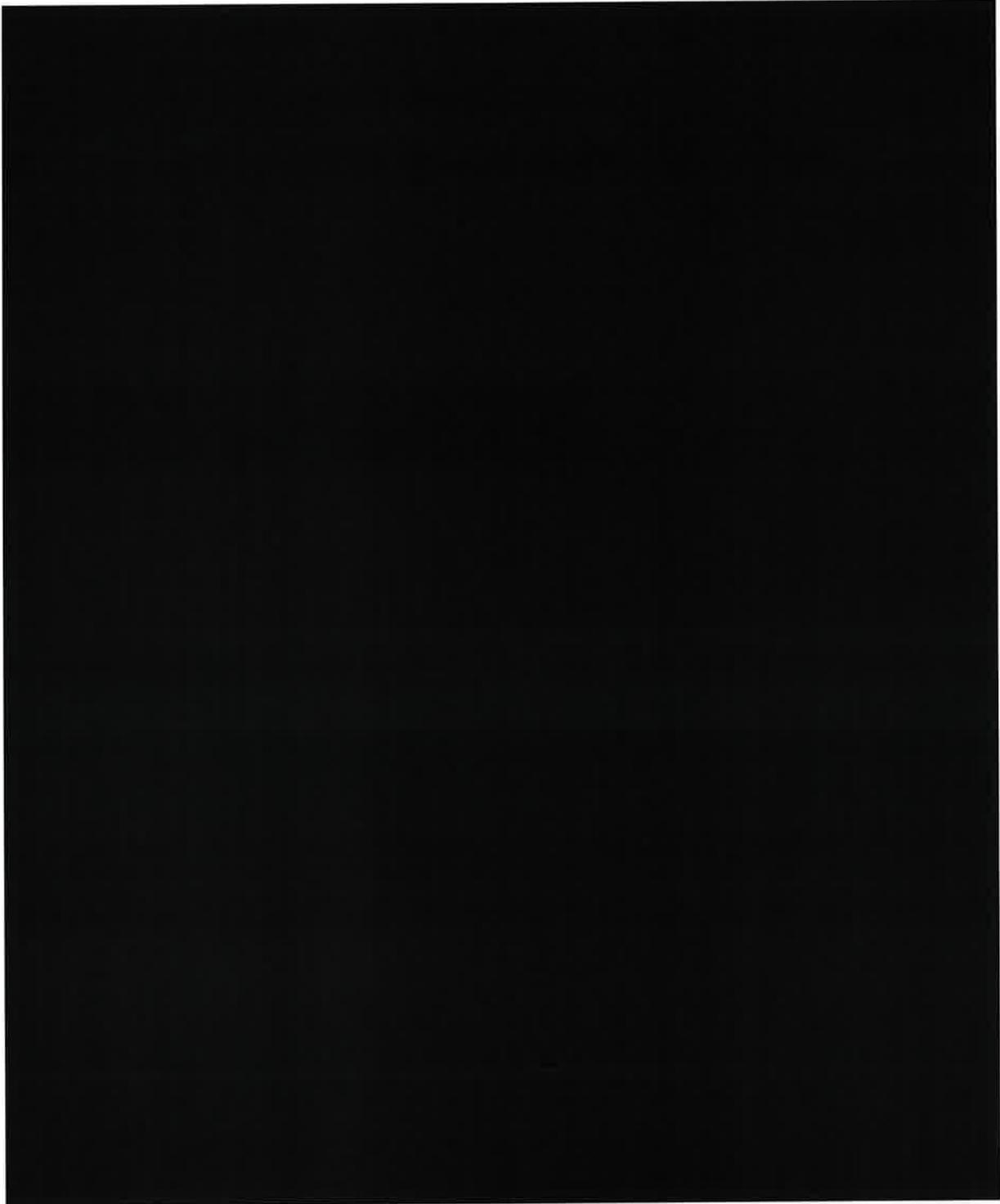
We are asked to give our general, as well as more specific comments, on the Memo from Swedbank of 25 January 2019. In the Memo, Swedbank Compliance states that the memo "*sets out the recommendations from the external law firm, and comment on them from the Group's perspective also taken into consideration meetings and discussions with the law firm (...)*". With reference to our meeting with Swedbank 15 January 2019, we understand that Swedbank have decided to give their comments and reasons why Swedbank will not follow a specific recommendation as stated in our Draft Preliminary Status Report of 10 December 2018. We fully respect this decision.

Based on our assignment and the assessment done of the GSI report of 27 September 2018, we sincerely considered our ability to give detailed comments on the memo of 25 January 2019 from Swedbank Compliance. Our conclusion and the reasons for this conclusion, is explained in this letter.

Summary of our work for Swedbank AB







[REDACTED]

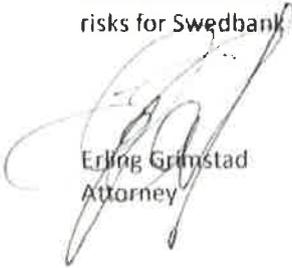
Our preliminary assessment of the GSI investigation was not an investigation as such

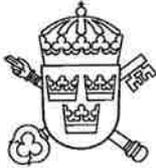
[REDACTED]

Conclusion

As stated in the memo from Swedbank Compliance dated 25 January 2019, we understand that Swedbank do not accept our most significant recommendations. We respect the decisions made by Swedbank Compliance.

However, and based on this, we have concluded that we are not in any position to comment on the more detailed considerations and remarks from Swedbank as regard to the recommendations. The most important feedback from us in this letter is to remind Swedbank of the work we actually did for Swedbank and the serious breaches of anti-money laundering regulations identified, which pose great risks for Swedbank based on our best knowledge and analysis.


Erling Grimstad
Attorney



Rapport

Myndighet

Ekobrottsmyndigheten 2018-09-20 Follow up on Swedbank's risk exposure

Signerat av

Signerat datum

Enhet

Stockholm FMK

Diariernr

9000-K822-19

Originalhandlingens förvaringsplats

Datum

2021-01-20

Tid

12:47

Involverad personal

Ann-Christin Sandén

Funktion

Uppgiftslämnare

Berättelse

Beslag 2019-9000-BG297-6 i ärende 9000-K564-19.

Follow up on Swedbanks risk exposure in relation to the investigation of ML issues i Danske Bank, Estonia, daterad 2018-09-20. (se infogad fil)

Till rapporten finns två bilagor:

Appendix 1, Example clusters to illustrate Swedbank Baltic's exposure to high risk entities. (se bilaga)

Appendix 2, Statistics re existing clients exposure to DBE, 2018-09-21. (se bilaga)

Rapporten finns även som inkommen handling 2019-03-12 från Finansinspektionen men utan de två bilagorna.

Follow up on Swedbank's risk exposure in relation to the investigation of ML issues in Danske Bank, Estonia

Internal Memo/Confidential – not to be spread to anyone without the express consent of the CEO of Swedbank AB (publ)

Receivers:	Prepared by:
The CEO of Swedbank AB (publ)	Swedbank Compliance
The Head of Baltic Banking	2018-09-20
The CFO of Swedbank AB (publ)	
The Specially Appointed Executive for AML of Swedbank AB (publ)	

SUMMARY

Background

This memo is a follow up to previous reported risk exposure between Swedbank Baltic Banking (Swedbank) and Danske Bank Estonia (DBE)¹

This memo is intended to give an overall oversight and insight into questionable transactions and to describe the risk related to Swedbank in relation to the investigation of money laundering (ML) issues in DBE - and especially customers and counterparties incl. their transactions that could be linked to the problems in DBE. It has not been possible at this stage to relate the numbers in this investigation to the numbers revealed in the DBE Report (defined below).

Scope of investigation and who was involved

Due to the big amount of data and transactions the investigations and analysis have been limited to (i) questionable transactions and parties, based on decided specific risk indicators that have been applied² during the period 2007-2016 and also thresholds for amounts.³ Hence, not all transactions between Swedbank and DBE have been analysed.

Further, the portfolio investigation has been made using a risk based approach based on the decided risk indicators. Both former and current customers in Baltic Banking have been run against these risk indicators and grouped based on the perceived risk. A transaction-by-transaction approach has not been adopted in this phase of the investigation. This is due to time- and resource restraint, but also since this until now has not been deemed necessary⁴. Thus, some clients are only identified with one single transaction to/from these clients of DBE, while others have several transactions.

¹ Dated 2018-07-12 distributed only to a few internal stakeholders.

² The risk indicators used are (i) legal form*: L.P, LP, LLP, LTD, LIMITED, LLC, INC, CORP, S.A. (more legal forms have later been detected as relevant, e.g., GMBH, A.G. A/S (Danish legal form), however transactions with these have not been significant in comparison to the others) (ii) payment description: "loan", "refund", "repaid", "return" (more payment details have been found as relevant, e.g., "consulting", "corporate service", however transactions which includes these have not been significant in comparison to the others) (iii) currency: EUR (included EEK converted to EUR), USD have been used. Other currencies GBP, RUB and, CHF have been identified but are not included in the amounts set out in this memo since they are deemed not to be significant and (iv) counterparty (clients of DBE).

³ EUR 5000 for domestic payments and EUR 2500 for foreign payments.

⁴ After having taken part of the "Report on the Non-resident Portfolio at Danske Bank's Estonian branch", made public 2018-09-19, (the DBE Report) Compliance can conclude that this is the same approach that has been used by DBE.

The fact that former or current customers have been linked/involved in some suspicious payments does not necessarily imply that such payments or all of their payments were suspicious.

The investigations and analysis have been done by Compliance, with the assistance of the external consultant BDO.

A comprehensive way of describing the risk that Swedbank is exposed to when it comes to AML/CIF risks is by describing the networks and links that our clients are associated with, as is shown in certain examples in [Appendix 1](#)⁵.

Key takeaways:

The following most important takeaways are⁶:

- 1) **None** of the entities that have been mentioned in media in the DBE case has been identified as **customers** of Swedbank based on transaction with DBE. (Only a few of the concerned DBE customers have so far been named in media.)
- 2) The investigation shows, that approx. **3440** of Swedbank's **former and current customers** have **conducted transactions** with counterparties of DBE and their networks, whereof approx. **2000**⁷ are **current customers**.
- 3) The turnover of identified questionable/suspicious clients and/or counterparties with transactions with DBE (the "Flow")⁸ amounts to approx. EUR 3 200m and approx. USD 6 700m from 2007 till 2015, which comprises both former and current clients.
- 4) **29** clients of Swedbank, of which **11** are **still customers**, have been identified as **non-acceptable**. They have been **directly matched** against the list of the **Russian Laundromat companies** published by the Organized Crime and Corruption Reporting Project (OCCRP). **163** counterparties, i.e. clients of DBE, on the same OCCRP list **have made transactions with Swedbank's customers**, both former and current clients.
- 5) **35** former clients of Swedbank, which **all** are **UK registered LPs/LLPs**, have performed transactions with **clients of DBE**. At least **17** of these former clients are **controlled by some of the most infamous offshore companies and proxy/nominee directors linked to organized corruption and money laundering**. In addition, these former LP/LLP clients are linked by transactions to other LP/LLP companies, some mentioned in relation to Magnitsky, Azerbaijani

⁵ Still in draft form

⁶ Please note that the numbers of customers matched in different segments as well as stated amounts still are under validation by BDO, which means that there could be some changes in the data.

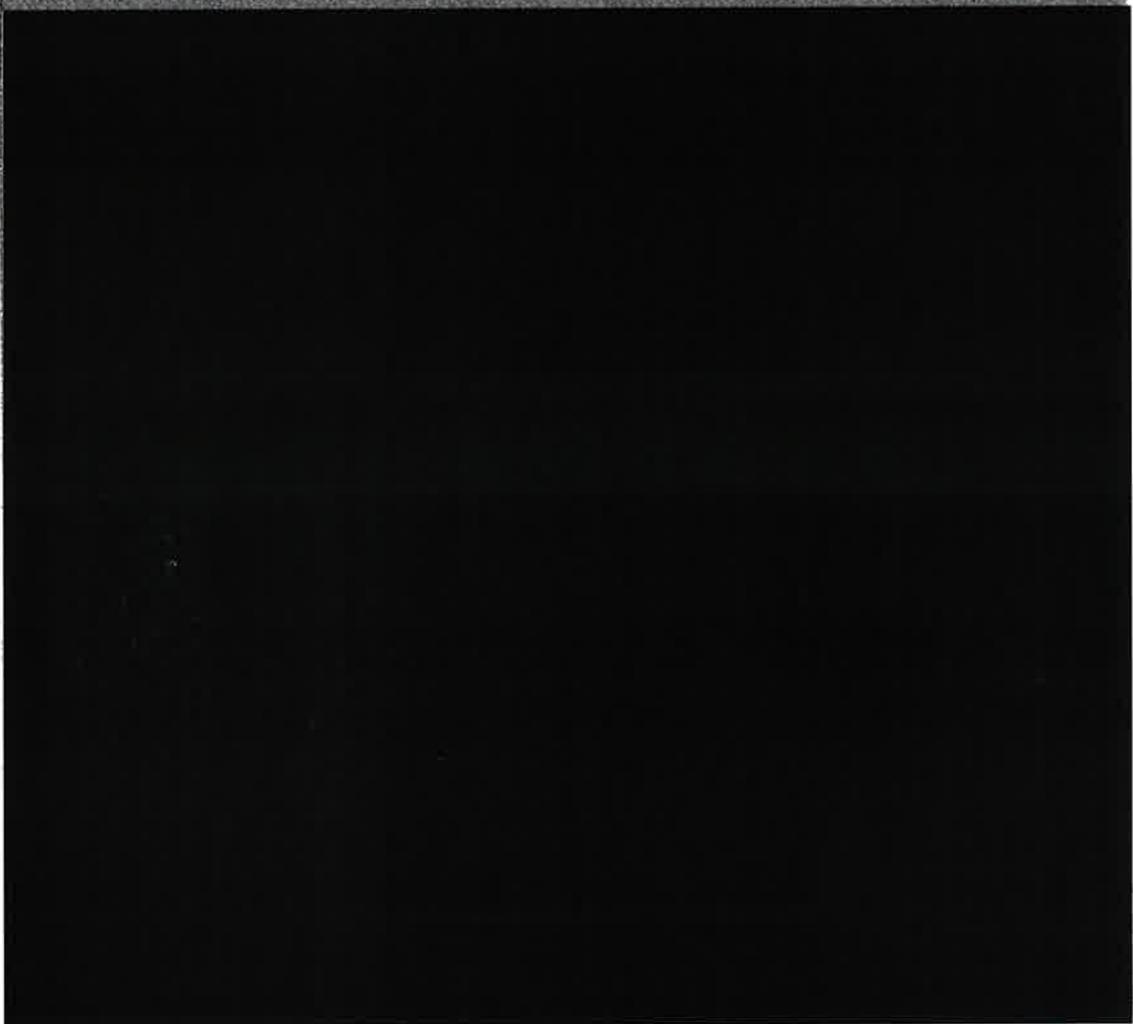
⁷ As set out in footnote 7, the data, which currently matches 1986 clients, is not fully confirmed. However, for the sake of simplicity the number 2000 is used throughout the memo at this point.

⁸ We are for this purpose using the term as the DBE Report in order to be able to "compare". However, it should be noted that from what we understand the flow in the DBE Report is the total flow in DBE Estonia (not limited to flow to/from certain banks). However, the DBE Report only covers the so called Non-resident Portfolio and it is unclear what this precisely comprises. The investigation carried out by Compliance, could have identified customer and counterparties of DBE not covered by the Non-resident Portfolio.

Laundromat, Russian Laundromat, Deutsche Bank mirror trade and the problems related to DBE.

- 6) At least 237 clients of Swedbank, mostly former, identified in the Flow have a positive match against the Investigative Consortium of Investigative Journalists (ICIJ) database/lists ("ICIJ"), whereof at least 74 are linked to Mossack Fonseca ("MF").
- 7) At least 350 counterparties (i.e. clients of DBE) of Swedbank's customers have a positive match against ICIJ, whereof at least 100 are linked to MF.

Compliance's conclusions:



1. Background

DBE has repeatedly been accused of facilitating money laundering by the Danish business paper, Berlingske. The allegations have also been broadcasted by other media and organisations and the problems around DBE has also lead to investigations from authorities in Denmark and Estonia but also France; both in general as regards the bank as well as regarding possible criminal actions towards employees. The result of the investigation done by DBE was published in the DBE Report.

It seems that Berlingske, as well as OCCRP, have access to internal documents and account statements from DBE customers. Based on those documents it has been concluded that accounts of non-resident companies (e.g., includes NZ, UK, PA, BZ, etc.) in DBE were used to transfer funds originating from several worldwide organized money laundering scheme, including the following (according to published info)¹² :

- **Magnitsky** - Transactions comprising DKK 28bn, during 2007-2015 connected to Russian tax fraud; named after the lawyer S Magnitsky, who died in a Russian prison
- **Moldova** - Transactions comprising DKK 7bn, during 2011-2014 connected to tax fraud and corruption etc. involving Russian organized criminals
- **Azerbaijani Laundromat** - Transactions comprising DKK 18bn, during 2012-2014 connected to fraud and corruption also pointing at European officials and politicians
- **Russian Laundromat** - Transactions value not revealed, but conducted during 2007-2015 connected to companies alleged controlled by the family of Putin and FSB.
- **Deutsche Bank Mirror Trading**.

It should also be noted that Bill Browder filed a report in July 2018 pointing at 26 former and current employees of DBE, accusing them of money laundering and other criminal activity. Ultimo July, the Estonian State Prosecutor's Office announced that criminal investigation has been started based on this report.¹³ The Danish Prosecutor's Office has informed about launching similar investigation in Denmark. The DBE Report also states that 42 employees and "agents" have been deemed to have been involved in some suspicious activity and where DBE is in the process of filing SARs to the Estonian FIU and further that they have reported 8 former employees directly to the Estonian police.

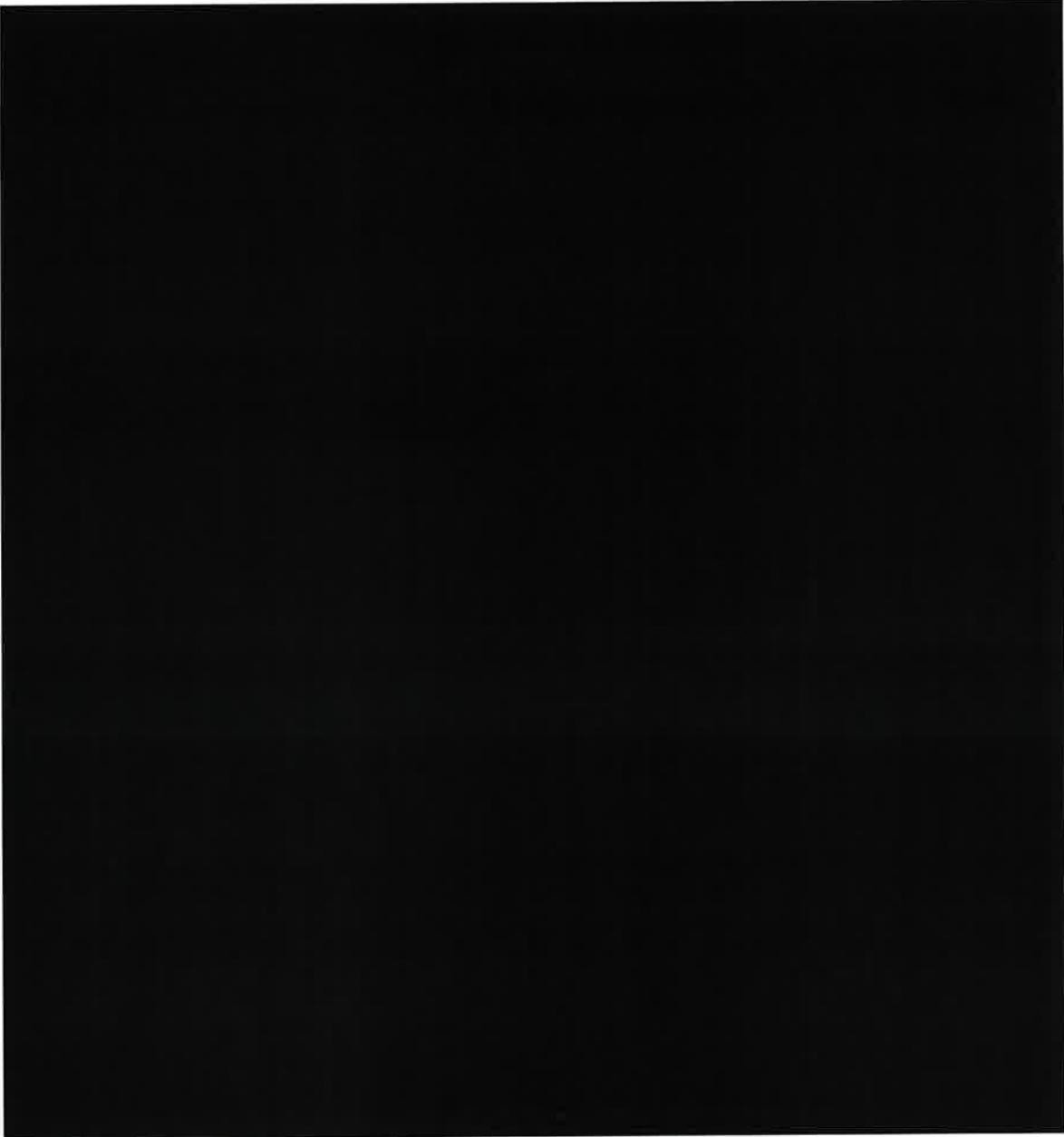
This memo is intended to describe Swedbank's risk as regards Swedbank's customers, their counterparties and their transactions which could be directly, or to some extent indirectly, linked to the problems in DBE and the customers in DBE that has been mentioned in the media, which are only a handful, while sources talks about several hundreds.

¹² <https://www.b.dk/national/english-version-an-overview-of-the-danske-bank-money-laundering-scandal> .

¹³ The Estonian media has also published an interview with an anonymous person who claimed that he/she is aware of practices that were used by the non-resident department of DBE. The source explained among other things how new clients were recruited and how the internal setup and 'service packages' made alleged money laundering in DBE possible, including how special payments to employees was organized.

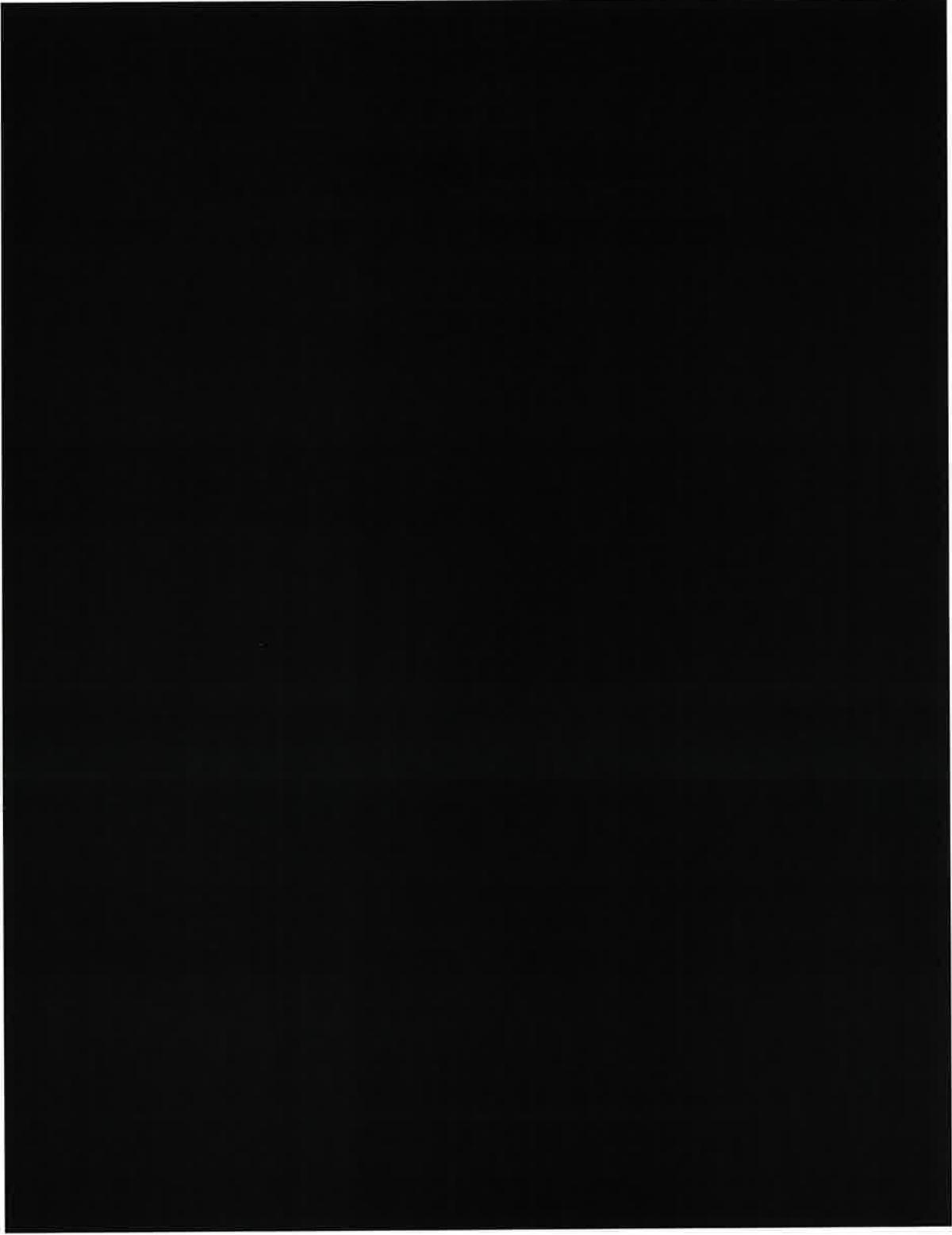


2. Scope of the investigation, available data and sources and who has been involved



3. Customers, counterparties and the Flow

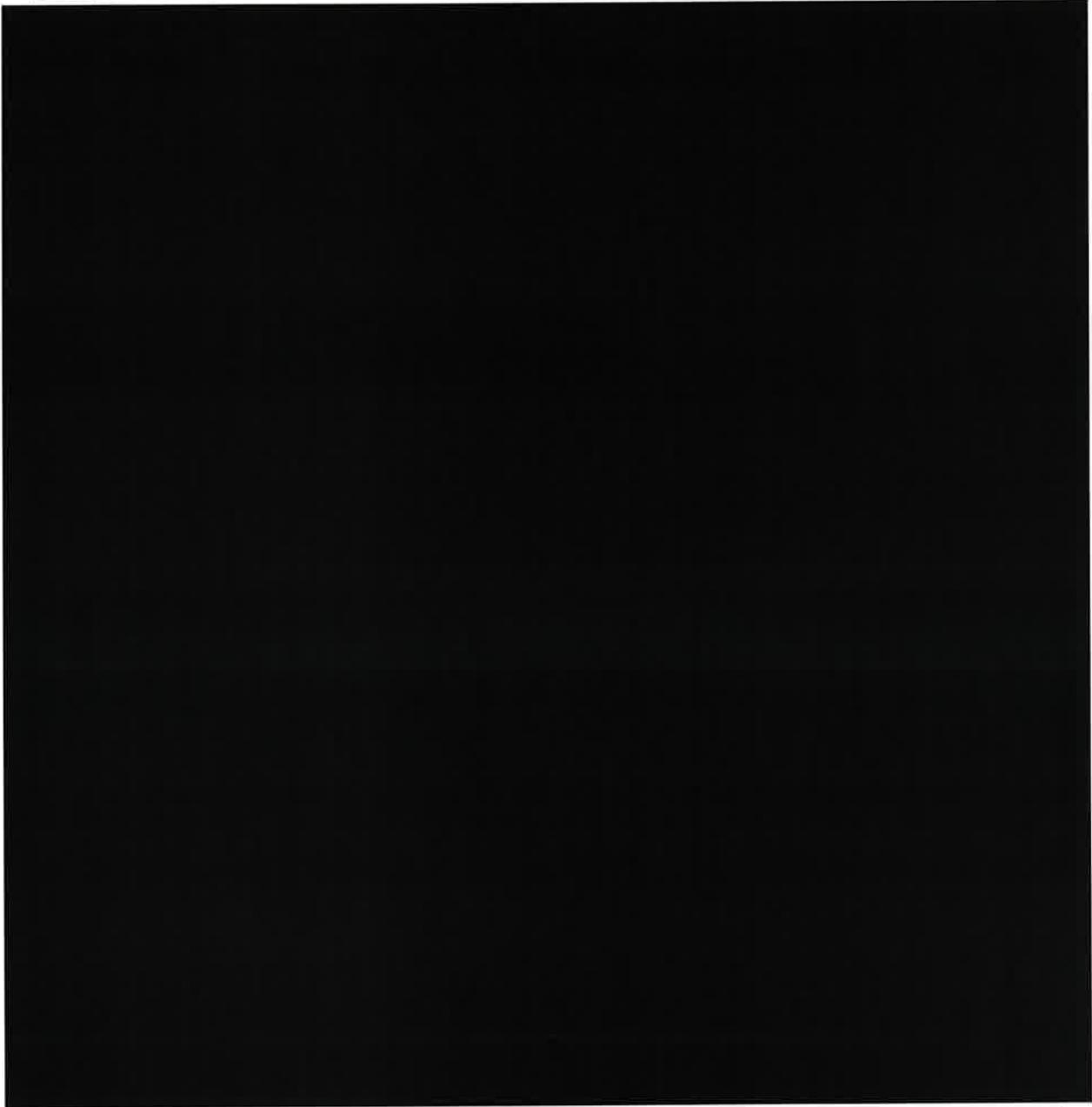


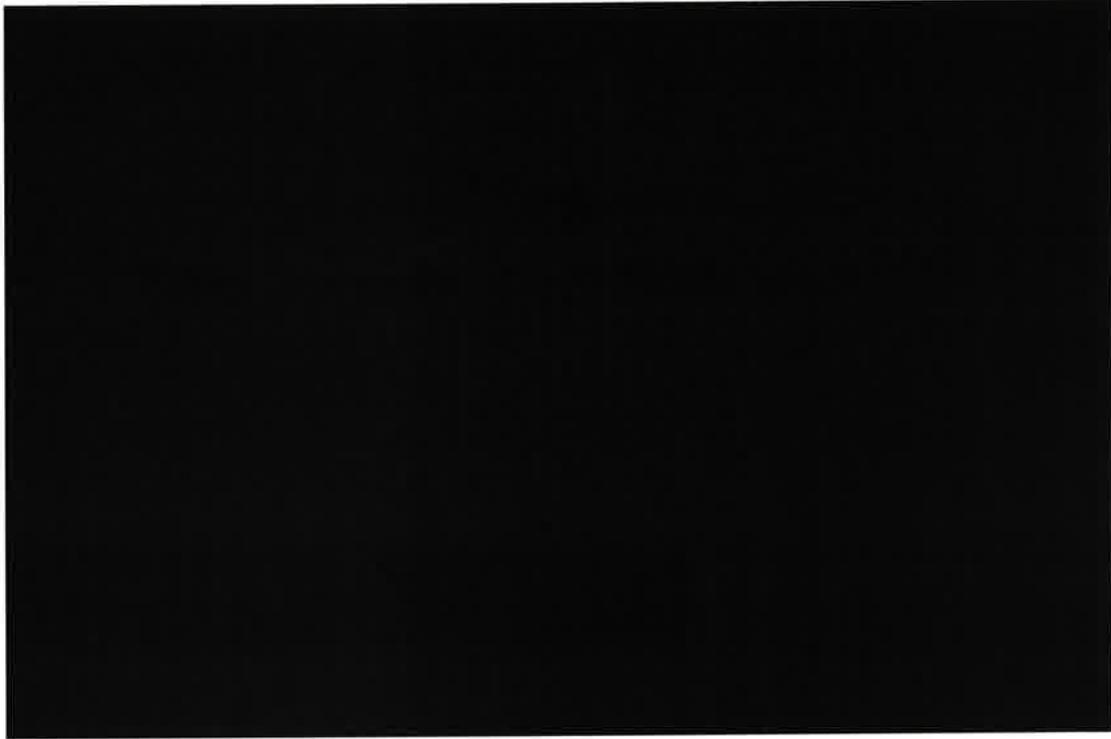




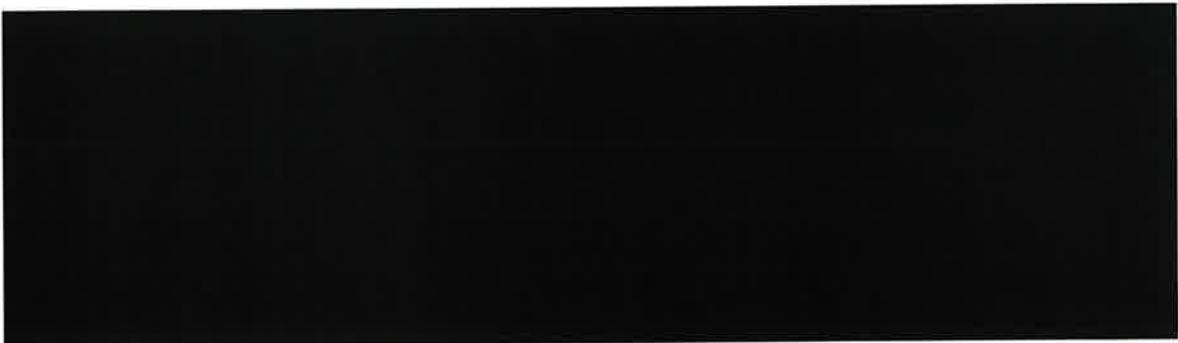


4. Identified customers/transactions of non-acceptable and high risk character





Top transactions - off-boarded clients with special interest





5. Existing customers that can be connected to DBE ML issue or other ML issues



Further, more detailed information of the existing customers connected to DBE is presented in Appendix 2.



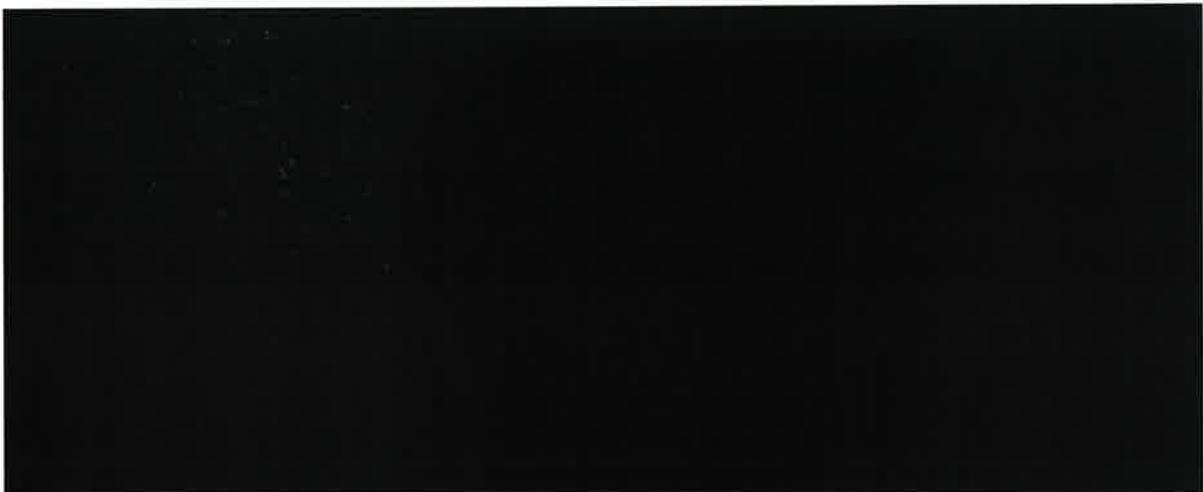
6. The way forward – Proposed actions to be taken



A. Principles for risk appetite



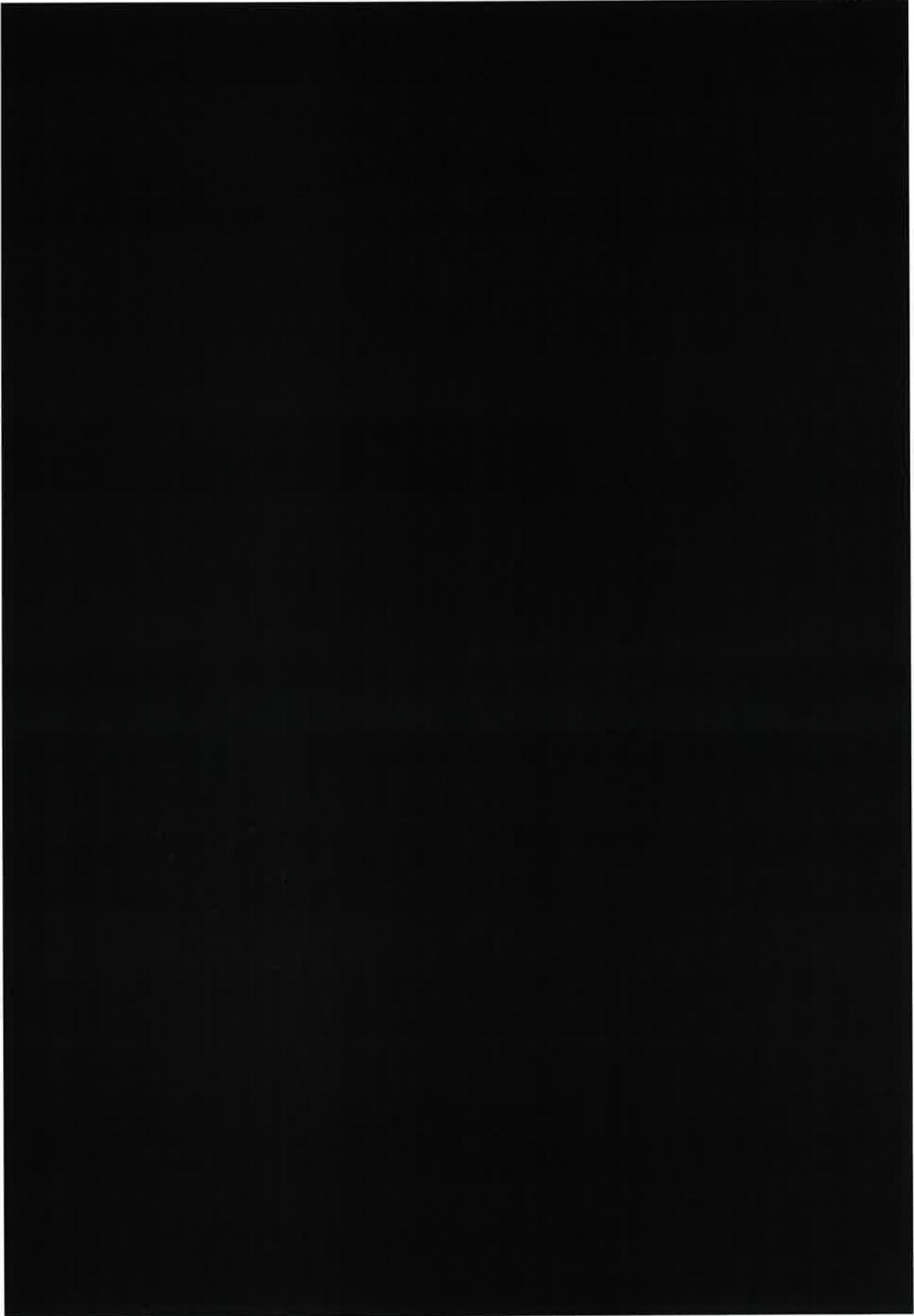
The proposed principles are as follows;

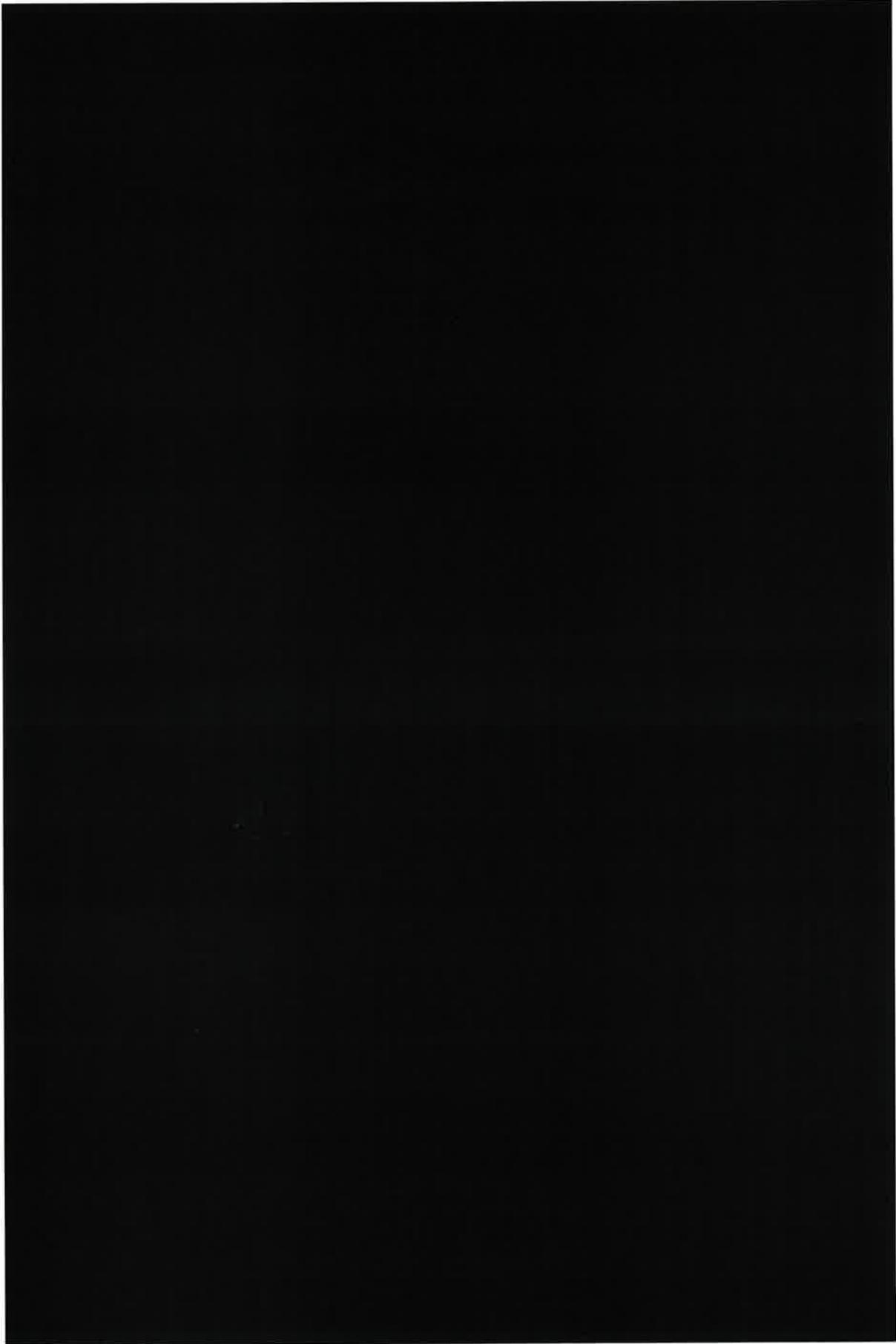


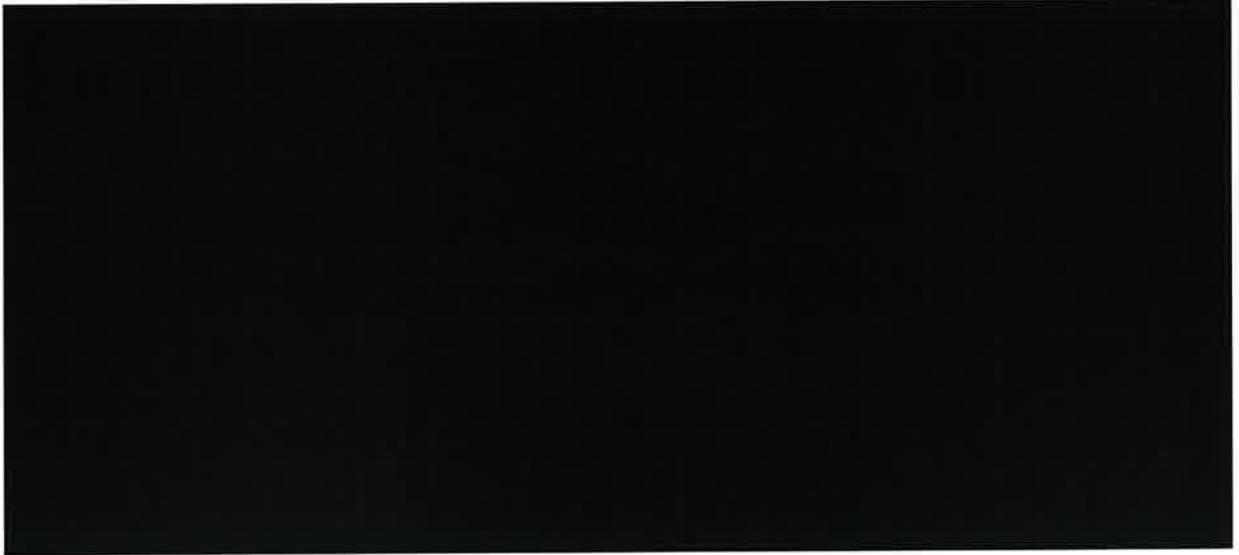
B. Existing 2000 clients identified in the Flow – Monitoring and possible off-boarding











Bilaga

Appendix 1

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Beskrivning

APPENDIX 1

Example clusters to illustrate Swedbank Baltic's exposure to high risk entities

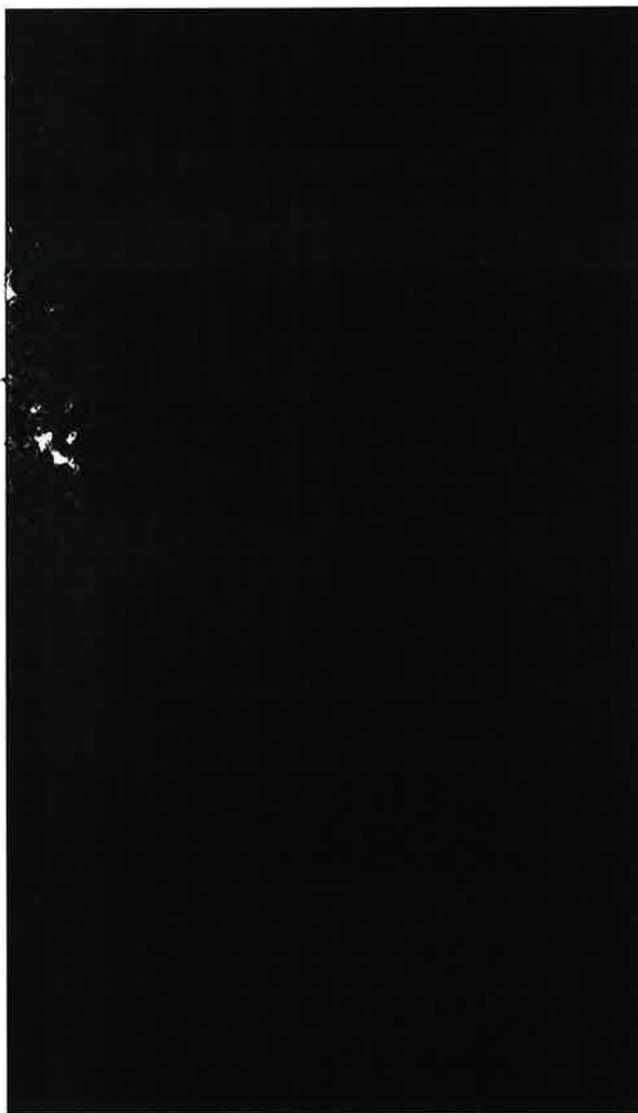


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Background

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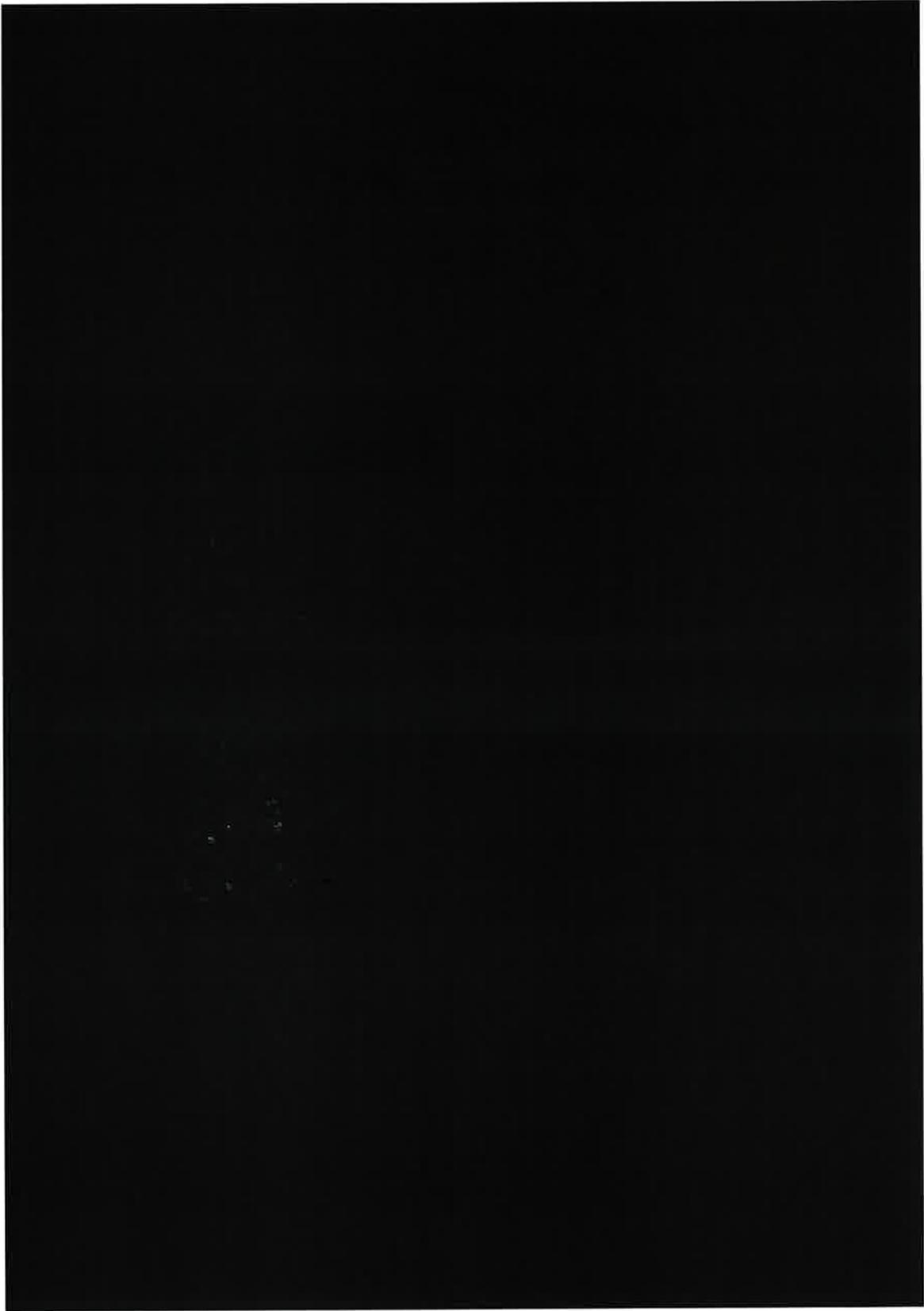
Swedbank Baltic's exposure 2007-2015





Network





Network – above 100K

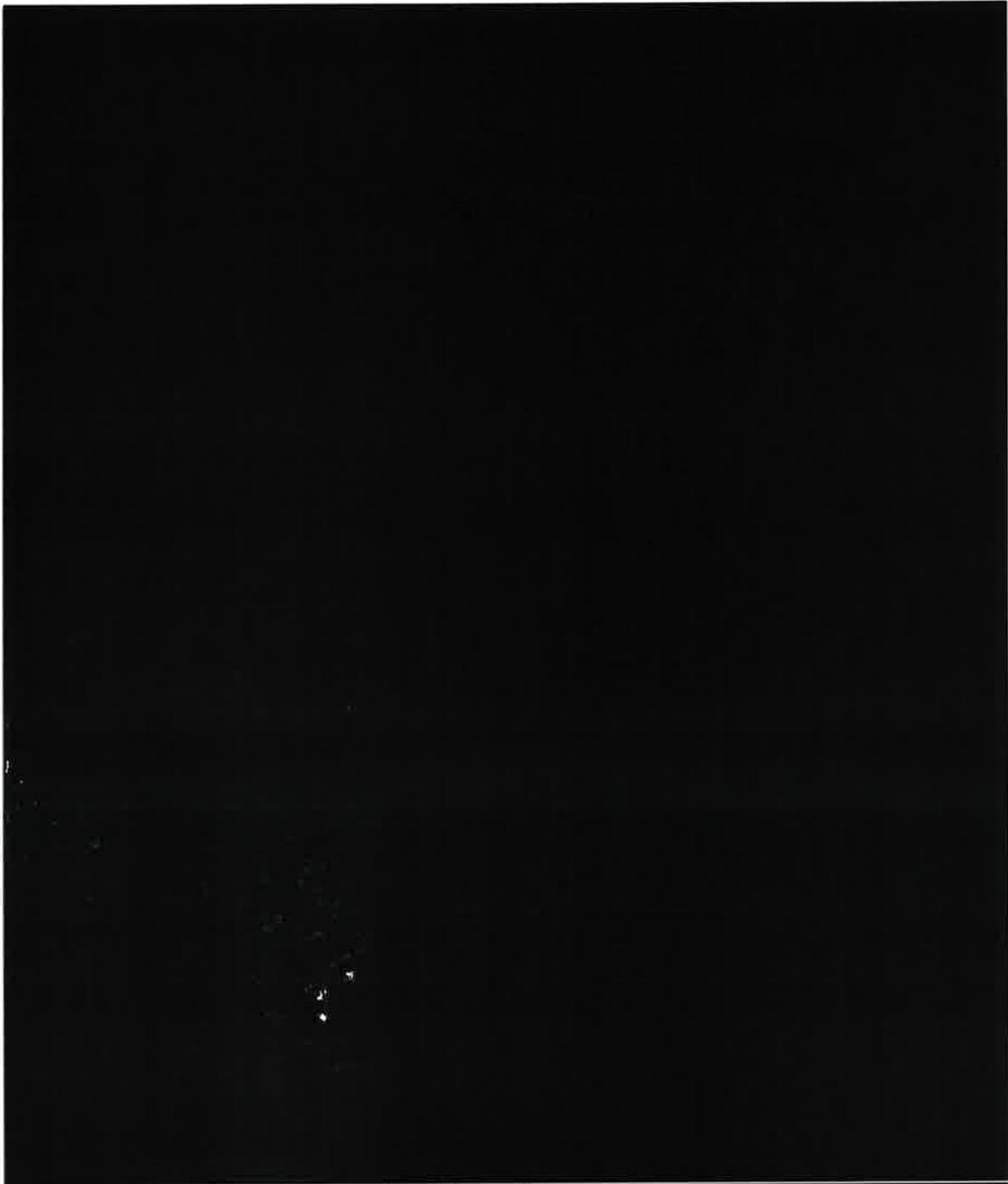


Description of Who [redacted] is, and his role in known ML cases...

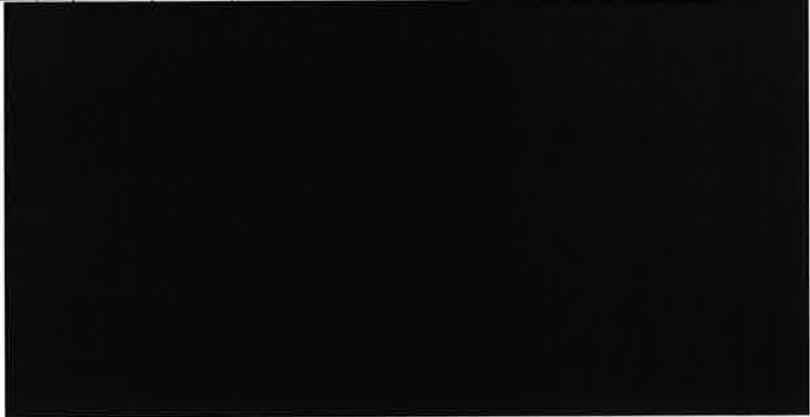


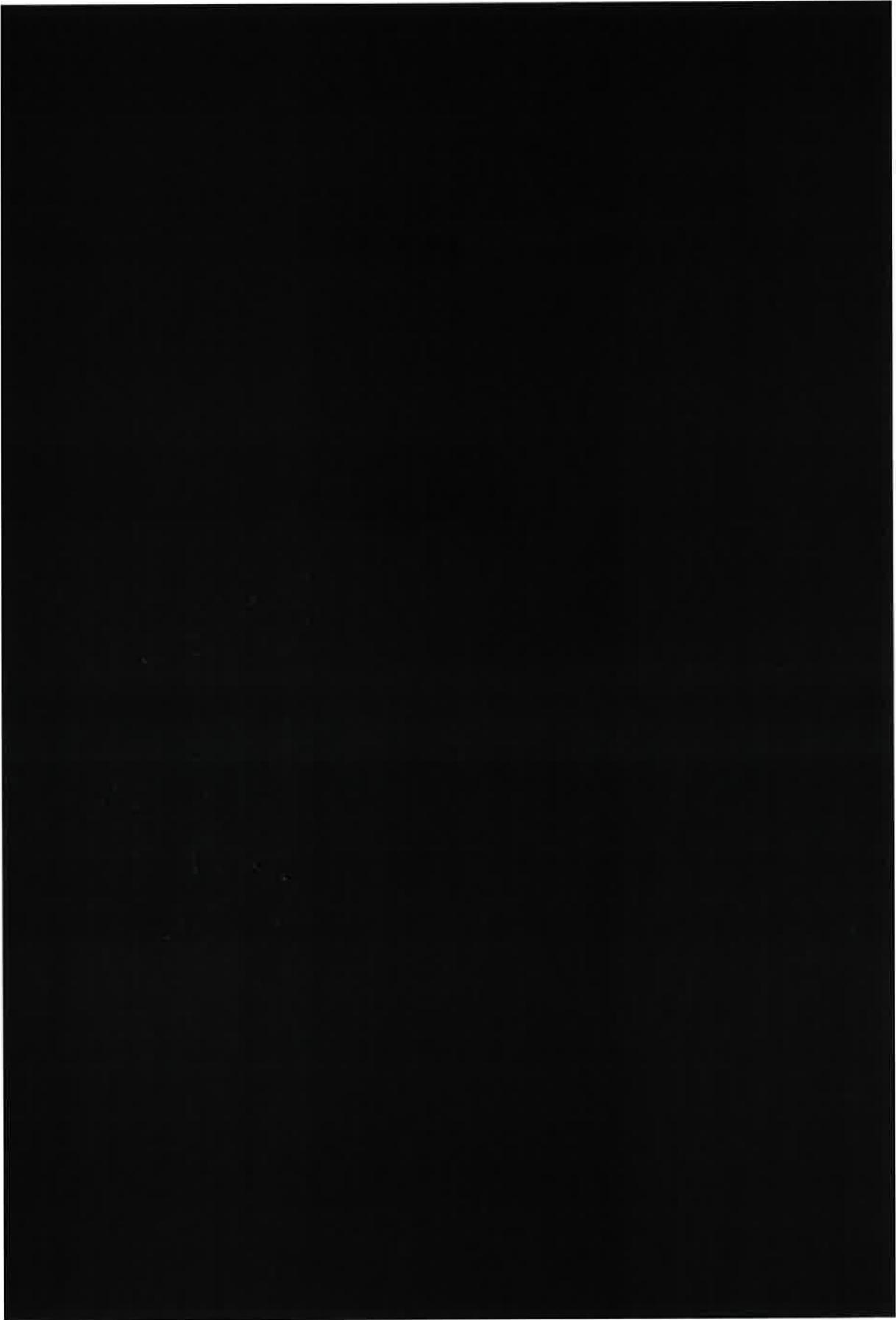
Swedbank Baltic's exposure 2007-2015





Network

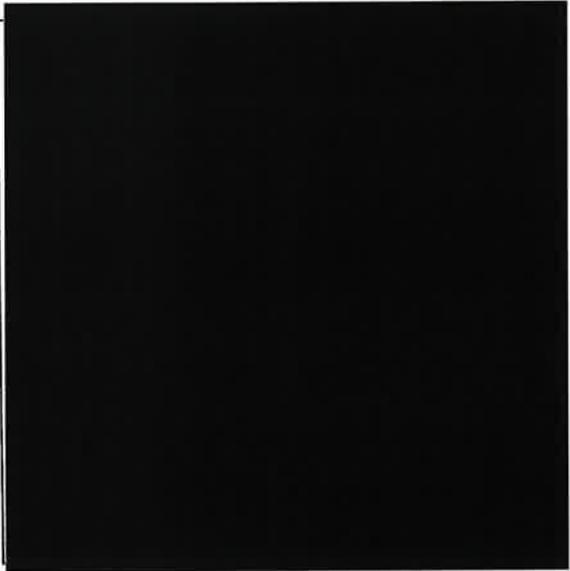




Network – above 100K



Simplified view

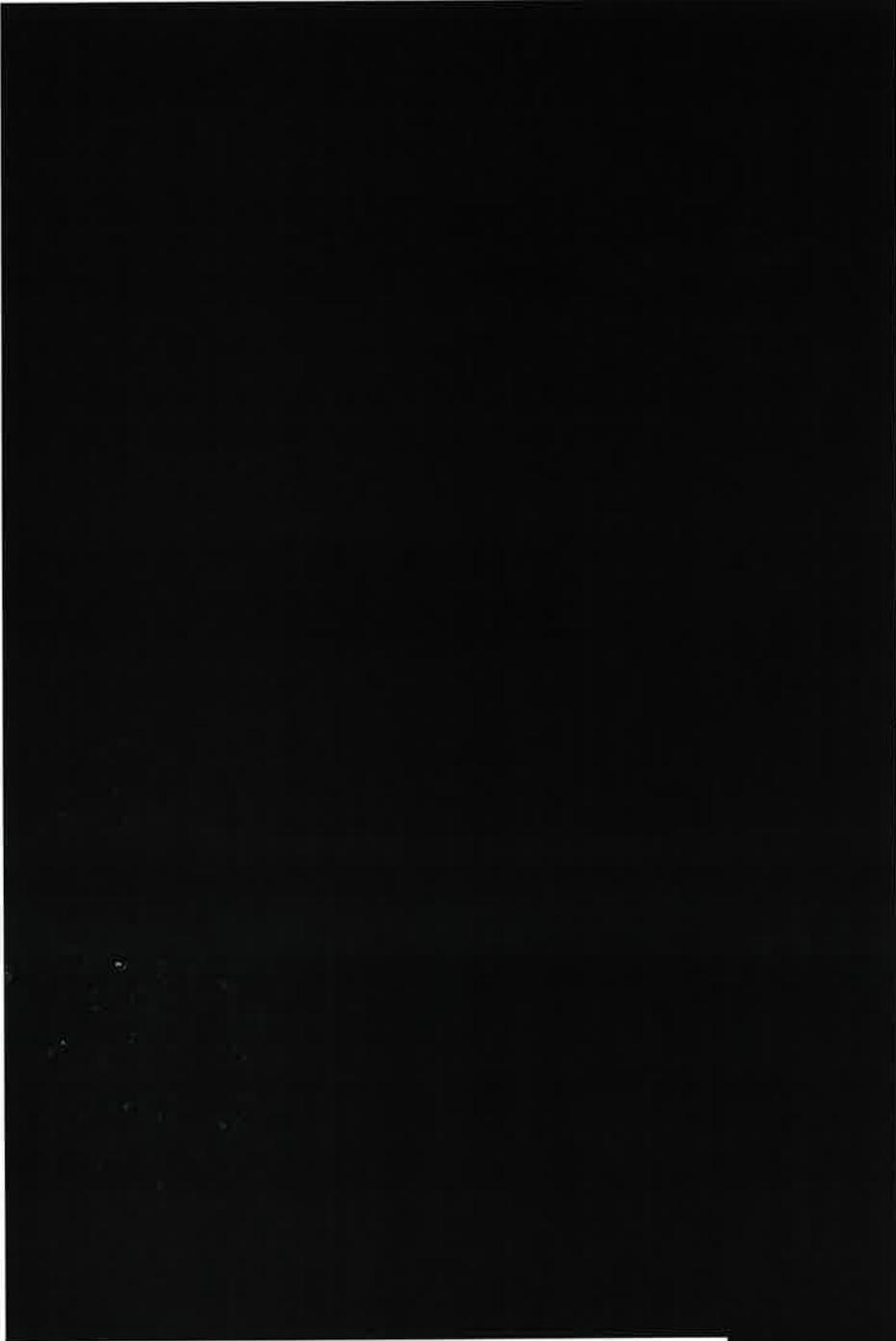




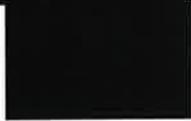
Description of ...

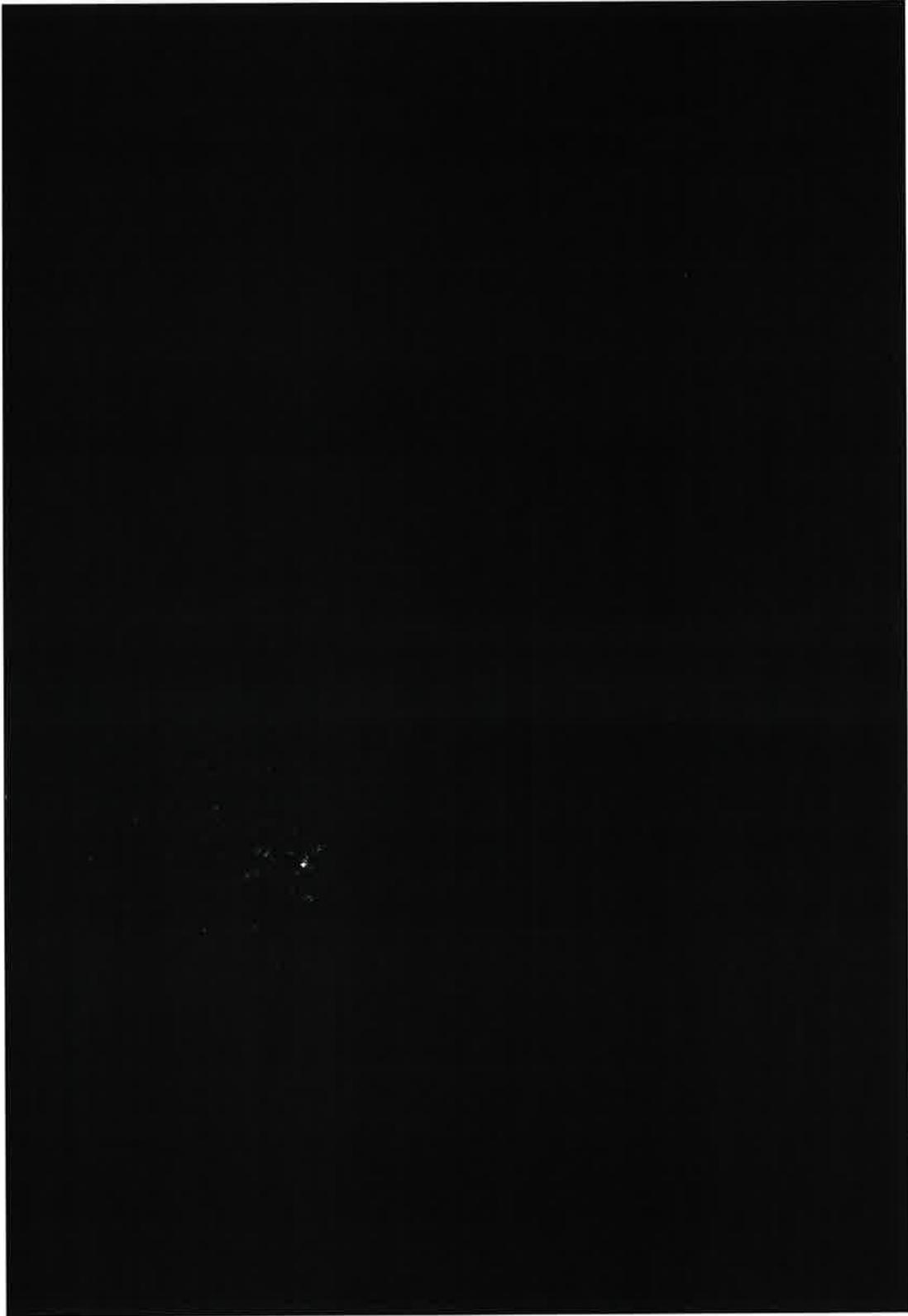
Swedbank Baltic's exposure 2007-2015





Network





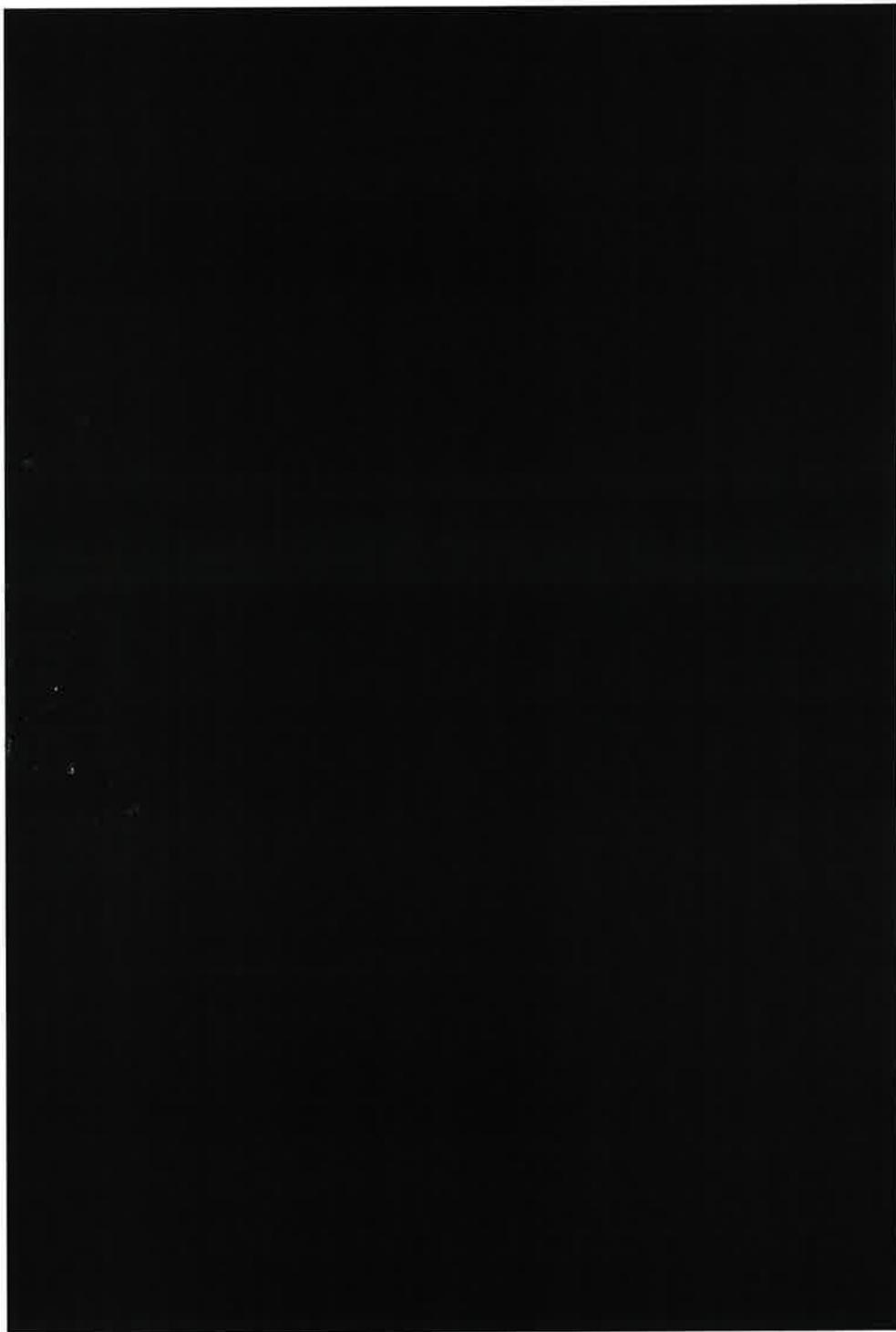
Network – above 100K

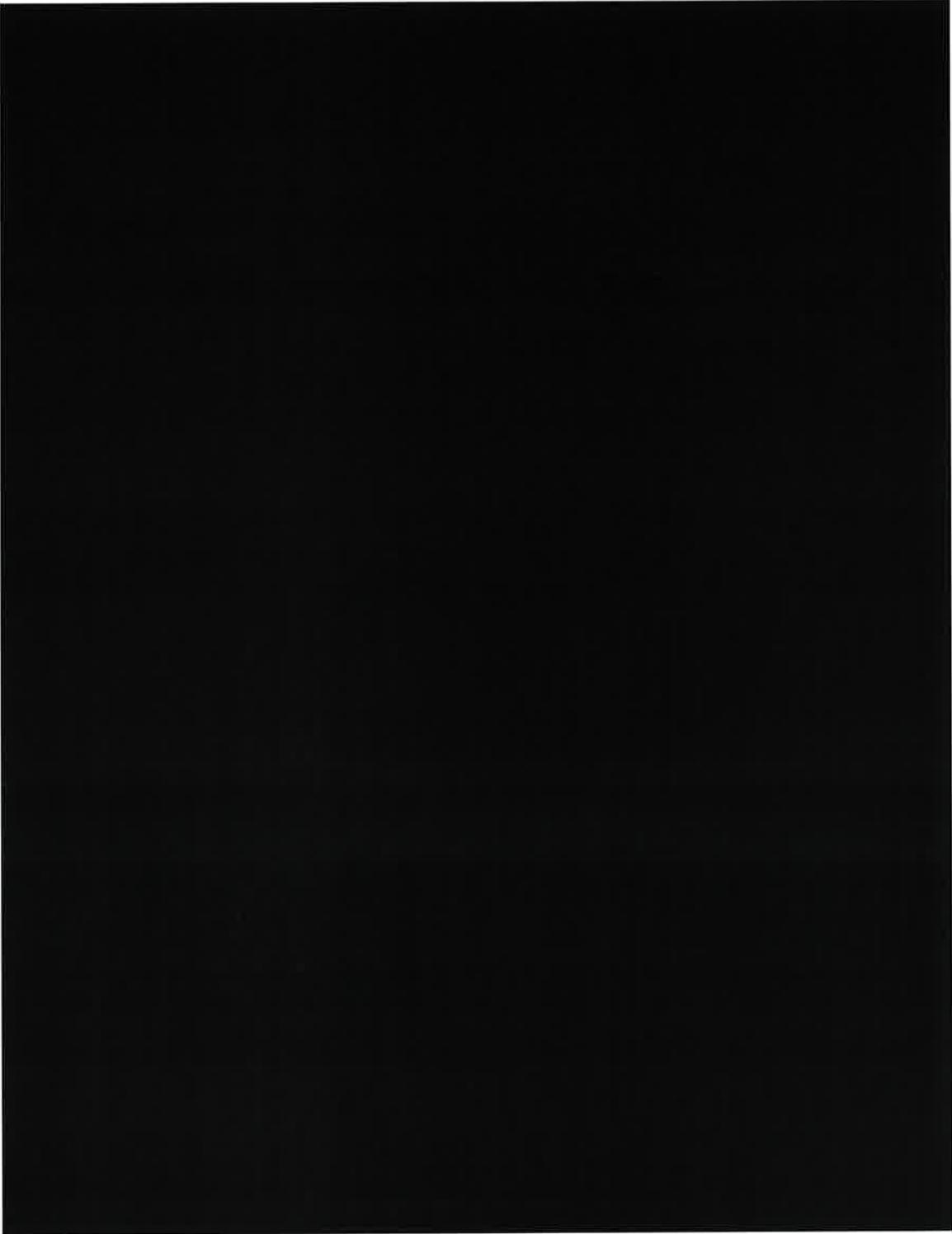
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Laundromats

Andreas to describe the provided list and included entities

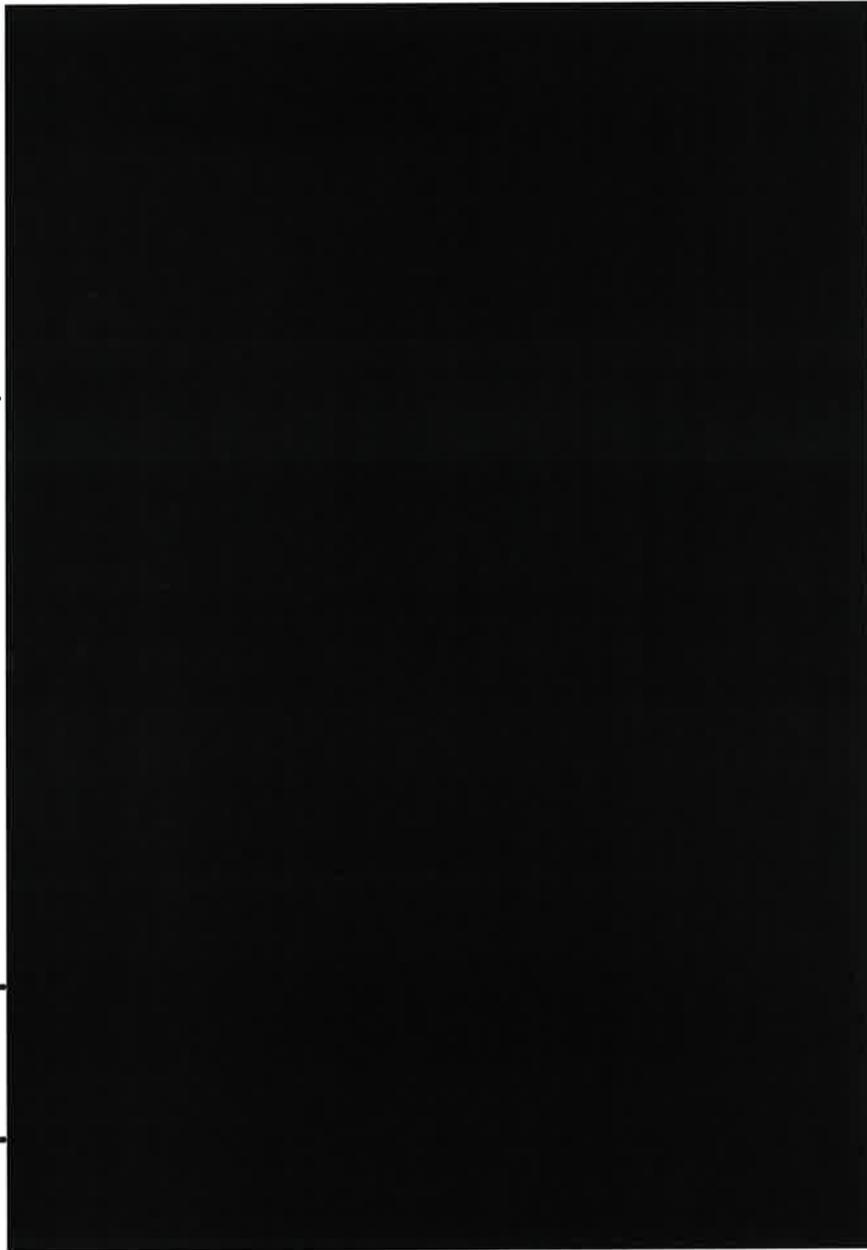
Swedbank Baltic's exposure 2007-2015





Network

Top exposed clients (by amount)



Top exposed clients (by amount) (2)





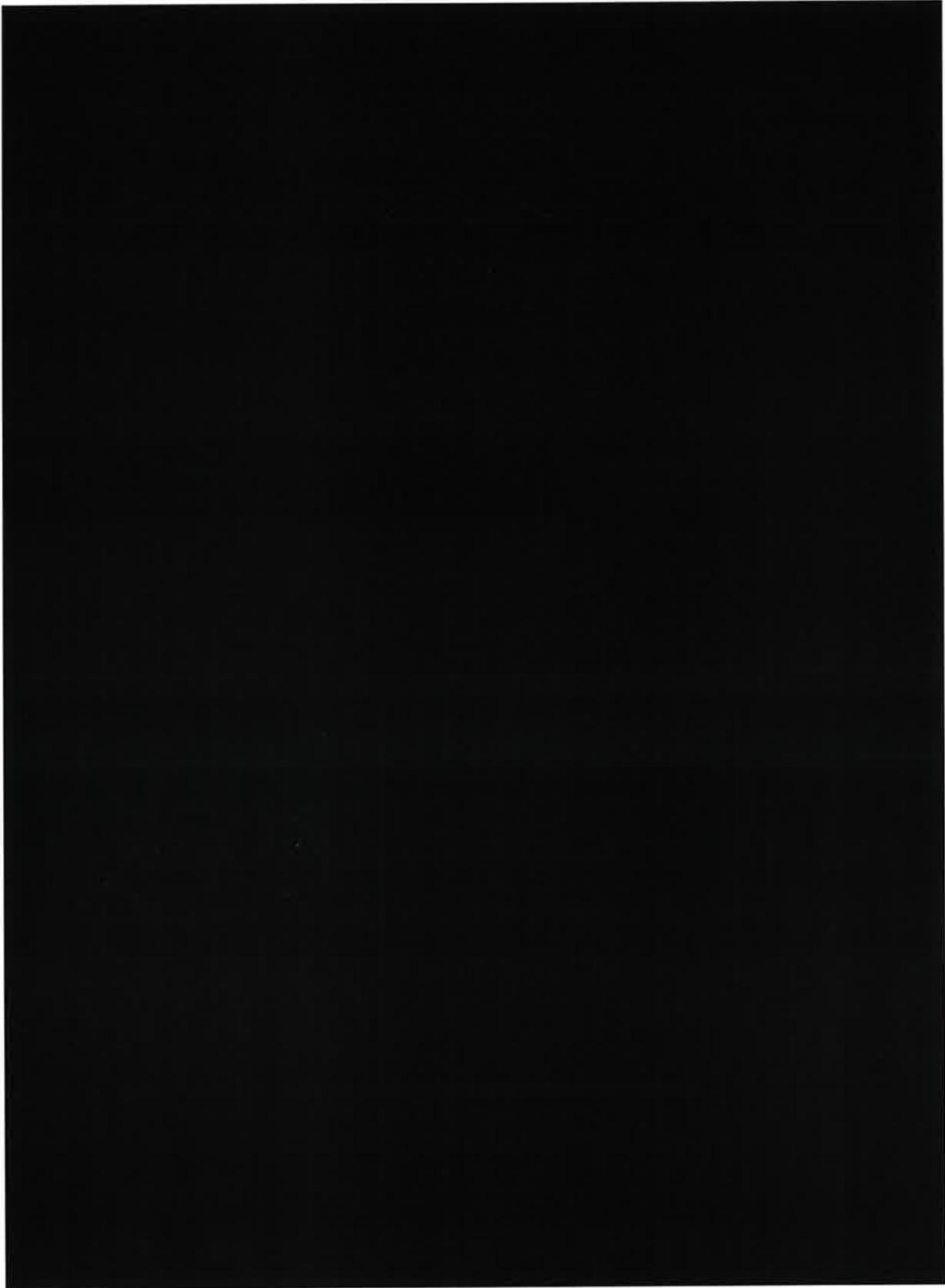
Swedbank Baltic's exposure 2007-2015





Network

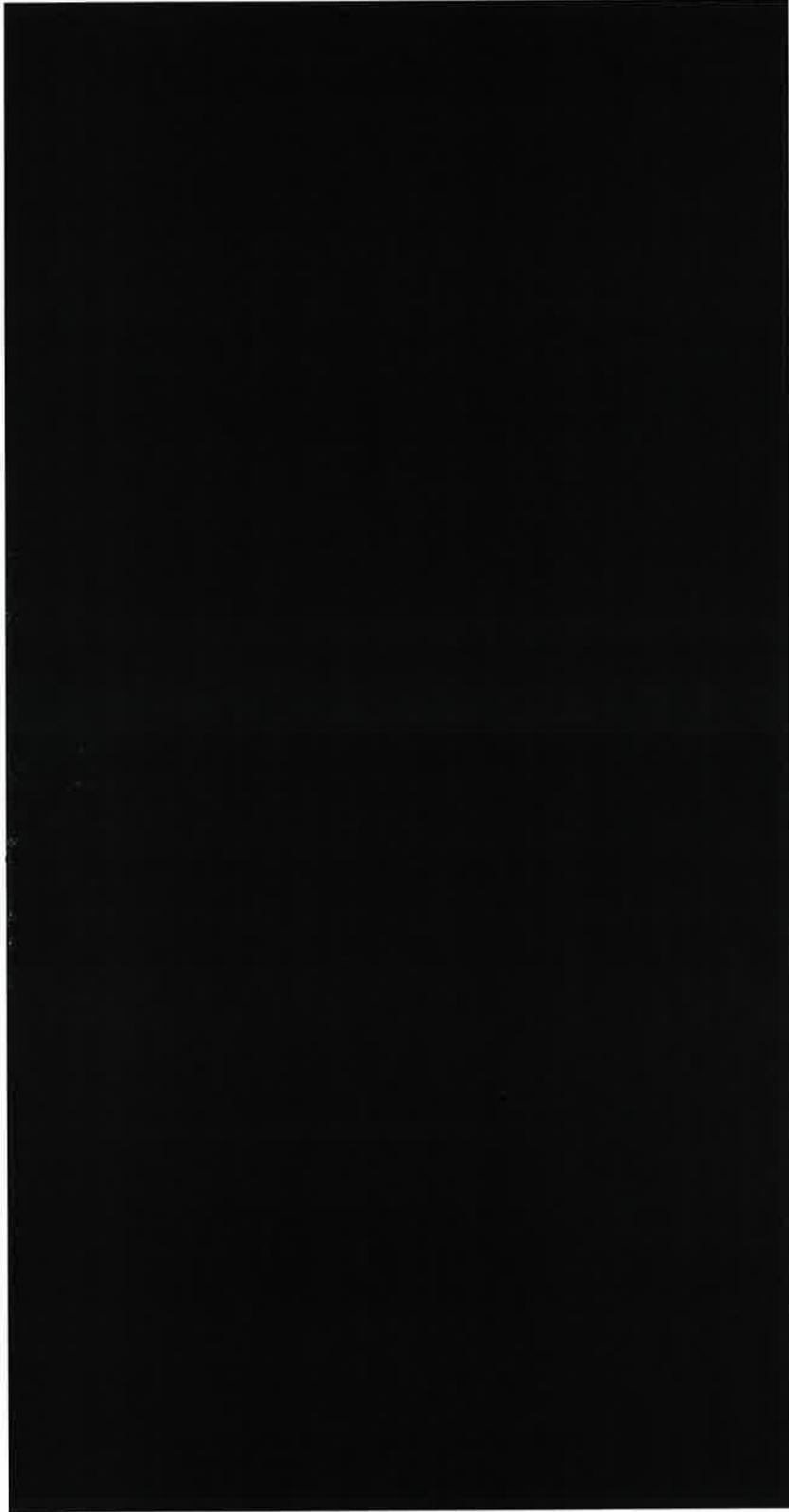
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Network – above 100K

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Sum of transactions for 'Suspicious' clients or counterparties 2007-2015



Bilaga

Appendix 2

Bilaga till Externt dokument 2021-01-20 12:47, diariennr 9000-K822-19

Beskrivning



Appendix 2
Statistics re existing
clients exposure to DBE

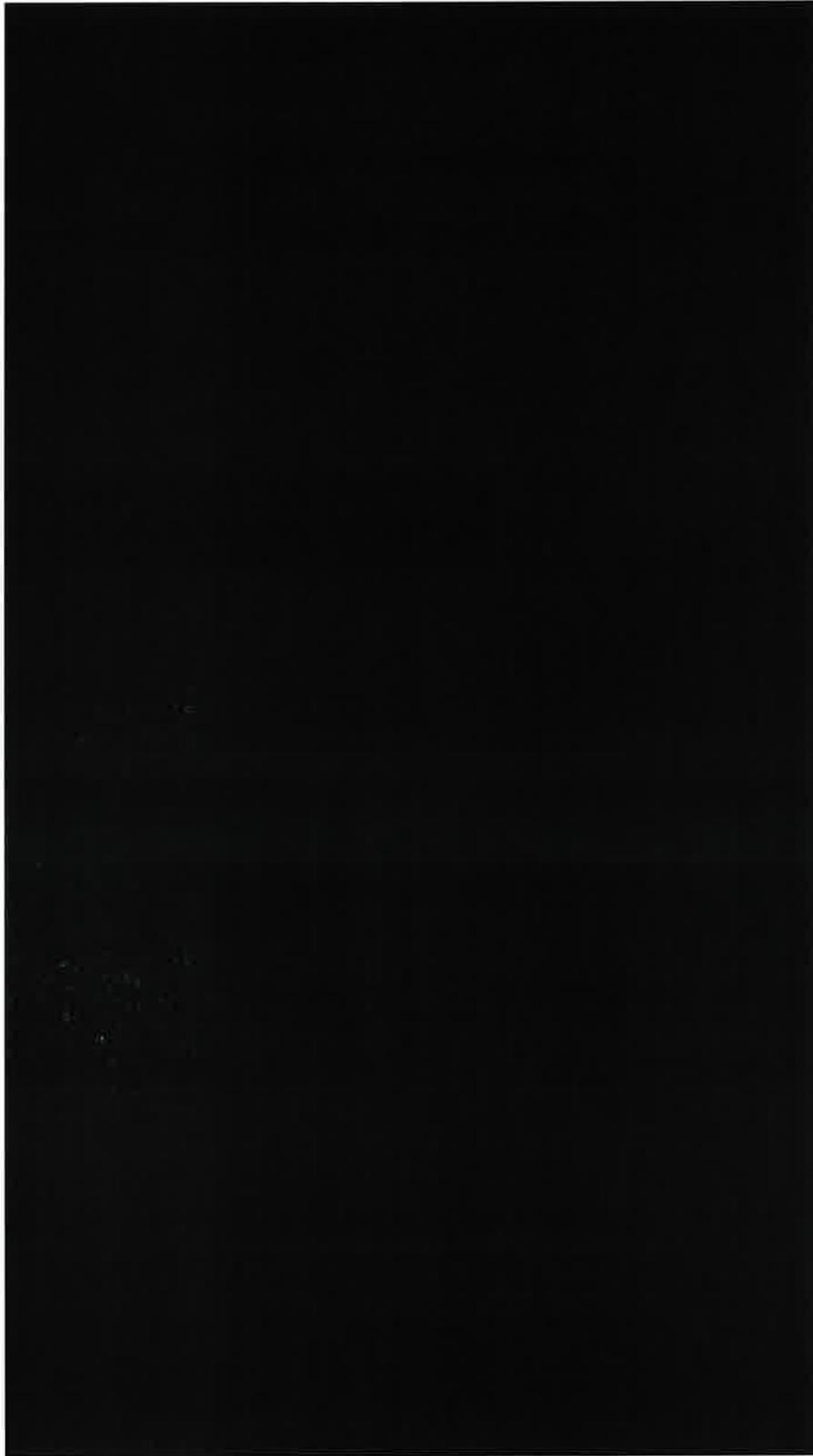
2018-09-21

INTERNAL AND CONFIDENTIAL

Disclaimer

- The content herein is not to be read or construed as if profitability should be the guiding principle as regards ML/TF risks and whether to accept such risk or not. Swedbank has zero tolerance for ML/TF risk.
- The content herein is only showed to understand the entire picture for certain customers and put it into context.

Existing clients with high risk indicators connected to DBE



3

Total profit overview Baltic



Total profit overview Baltic



5

Top 10 profit LC & SME (with CM)

Baltic consolidated



Client discussed in
AML workshops

© Swedbank

Top 10 profit LC & SME (with CM)

Estonia

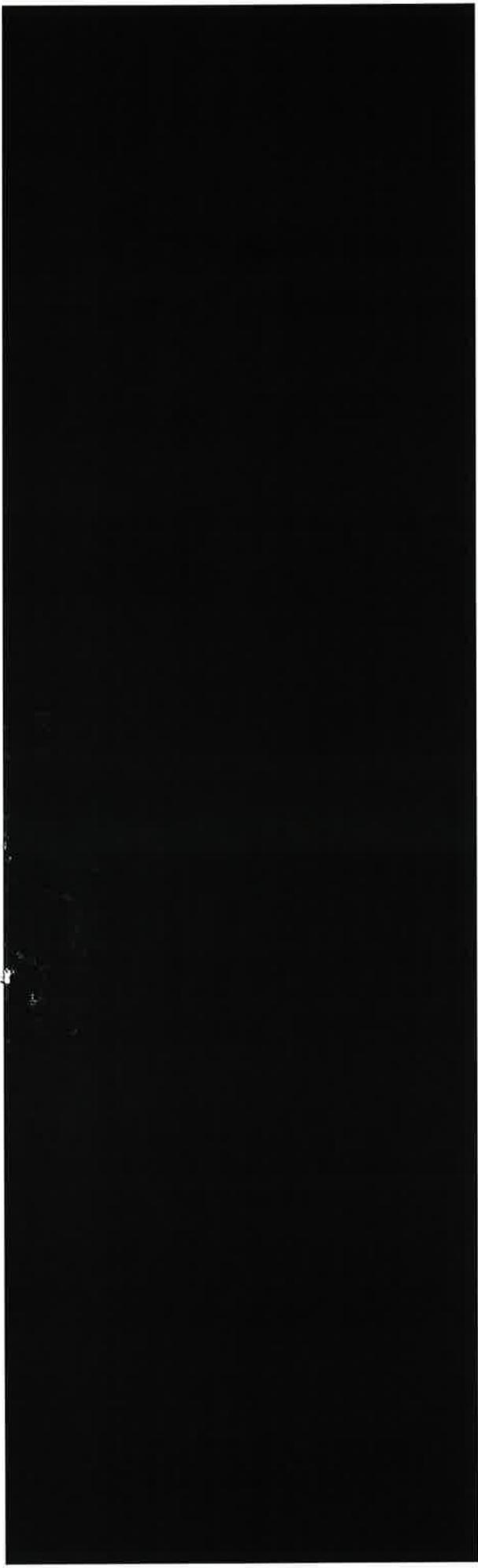


Client discussed in
AML workshops

© Swedbank

Top 10 profit LC & SME (with CM)

Latvia



Client discussed in
AML workshops

© Swedbank

B

Top 10 profit LC & SME (with CM)

Lithuania

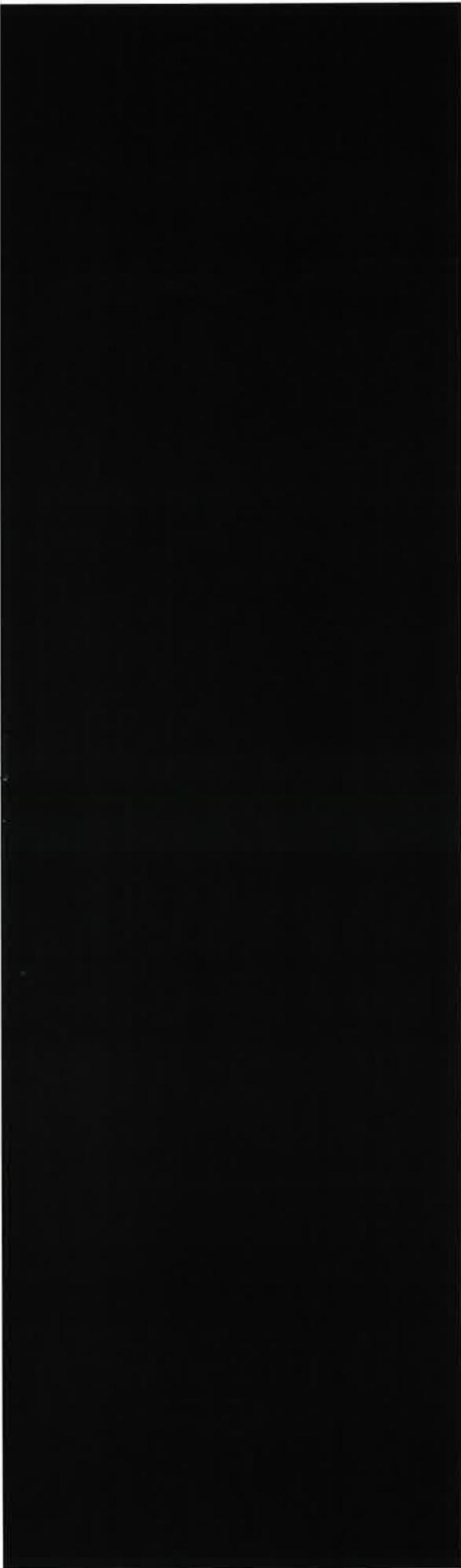


Client discussed in
AML workshops

© Swedbank

Top 10 credit LC & SME (with CM)

Baltic consolidated



Client discussed in
AML workshops

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Top 10 credit LC & SME (with CM)

Estonia

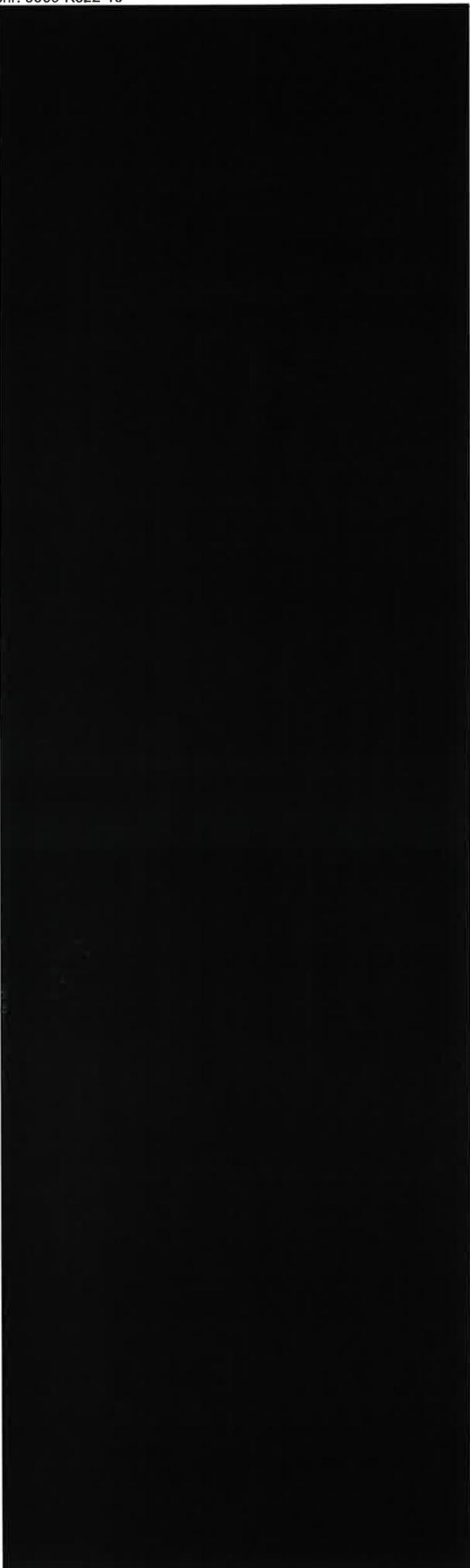


Client discussed in
AML workshops

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Top 10 credit LC & SME (with CM)

Latvia

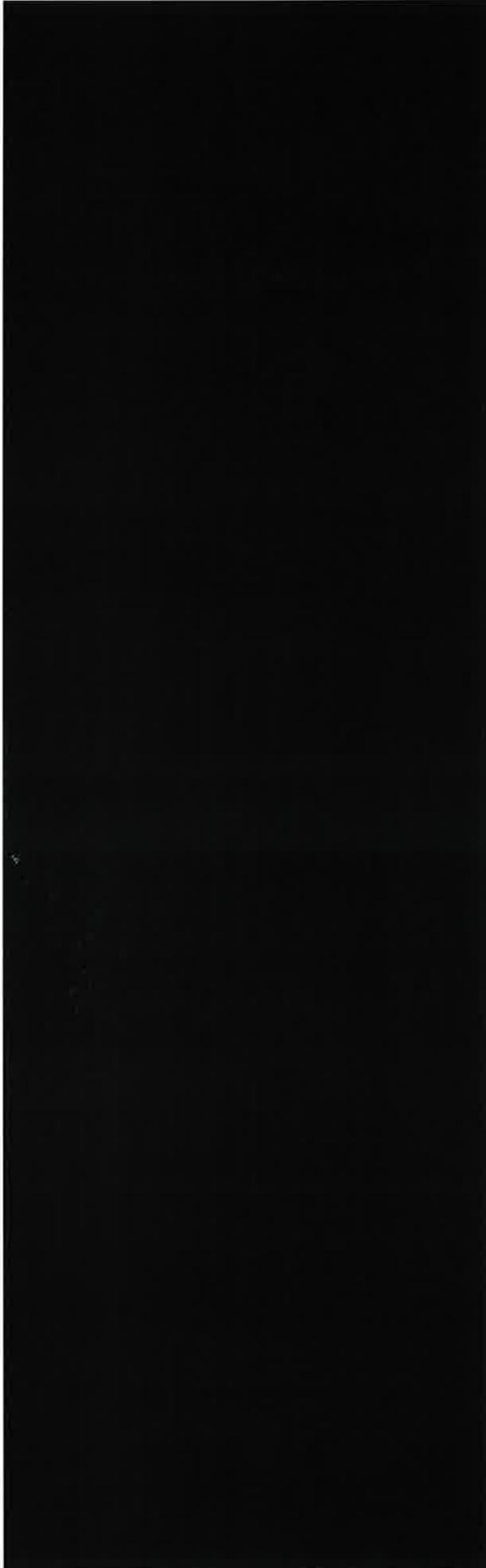


Client discussed in
AML workshops

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Top 10 credit LC & SME (with CM)

Lithuania

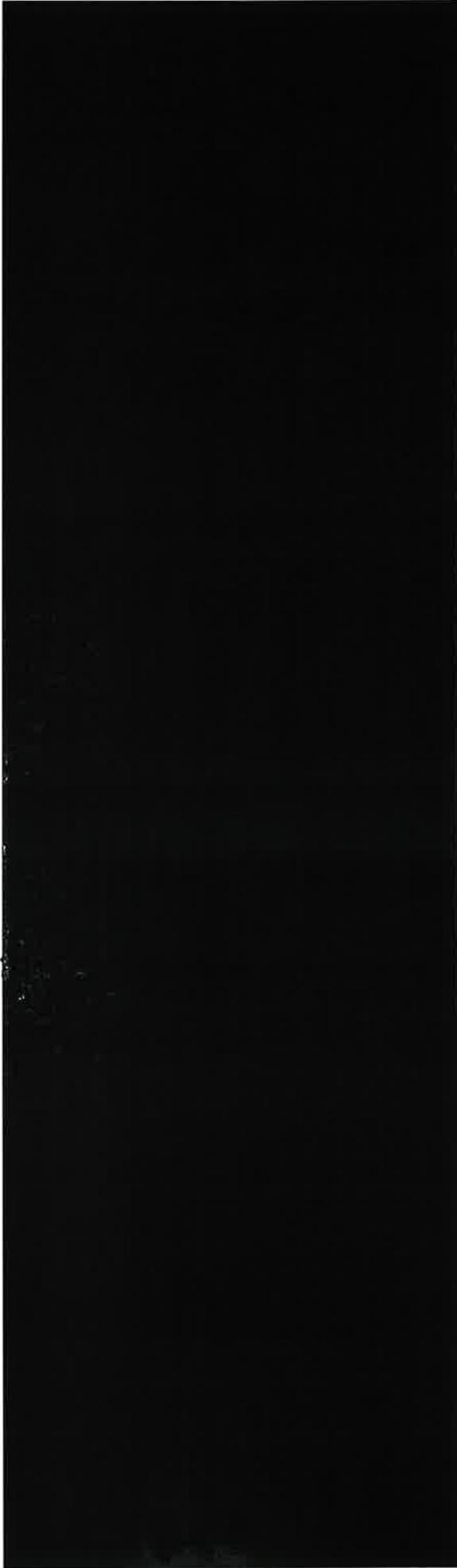


Client discussed in
AML workshops

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Top 10 profit Small Business (without CM)

Baltic consolidated

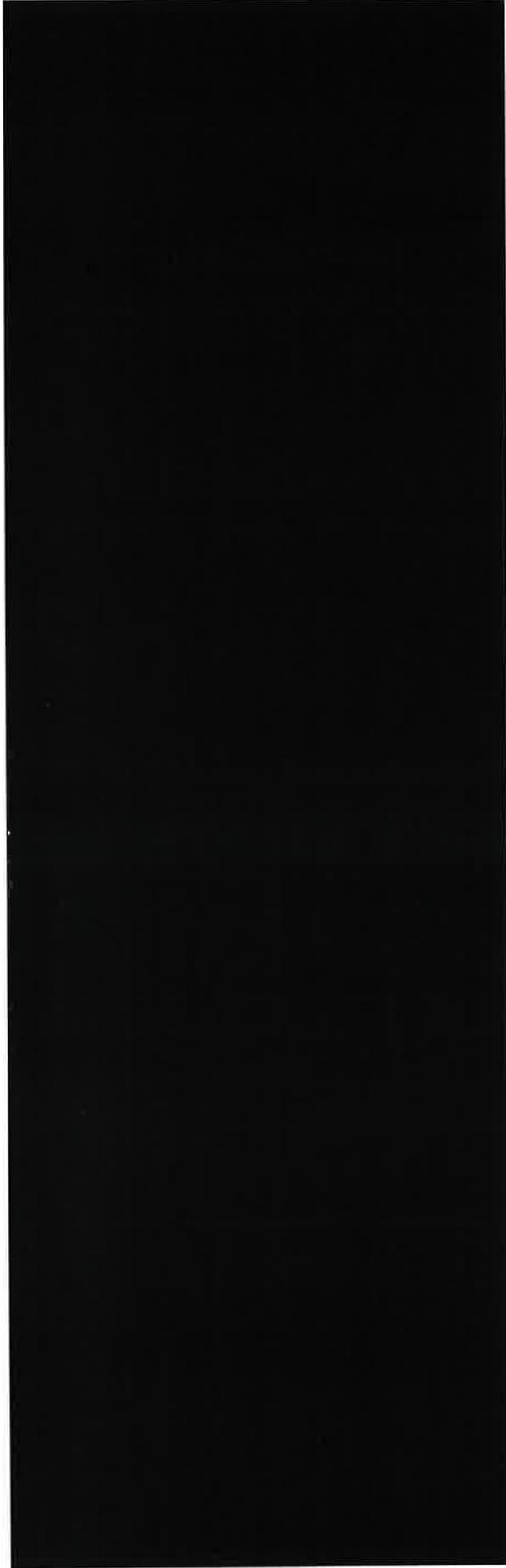


Top 10 profit Small Business (without CM) Estonia

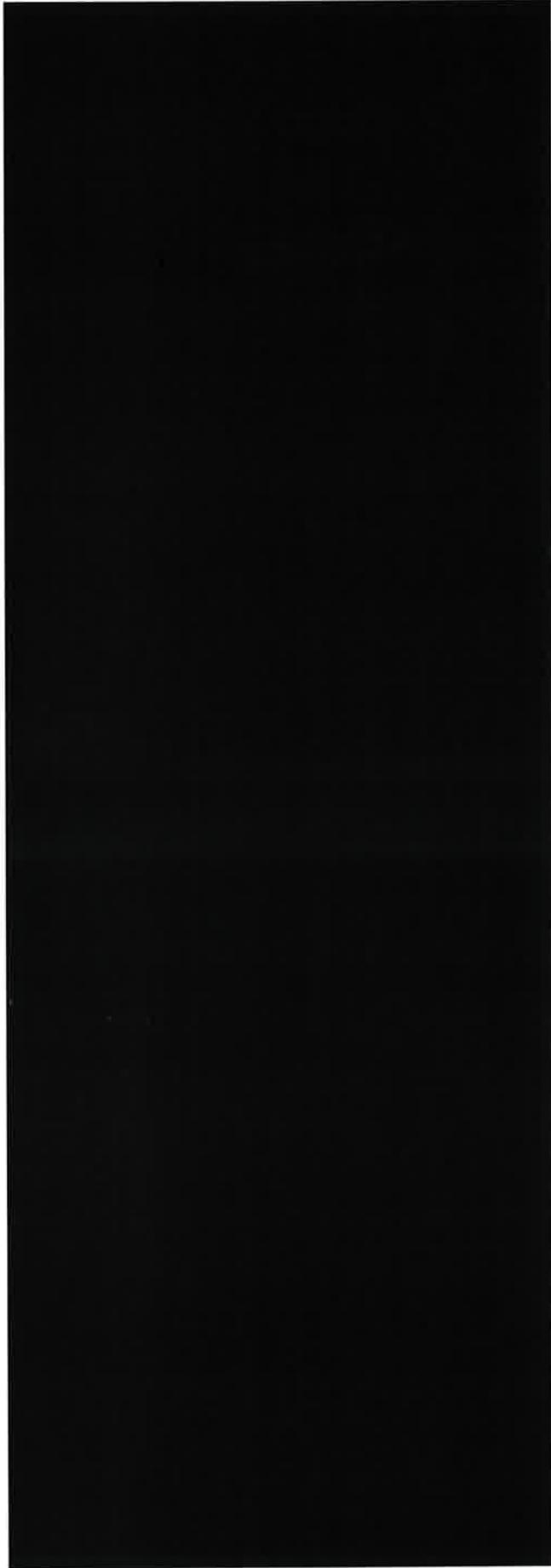


Top 10 profit Small Business (without CM)

Latvia



Top 10 profit Small Business (without CM) Lithuania



Top 10 credit Small Business (without CM)

Baltic consolidated



Top 10 credit Small Business (without CM)

Estonia



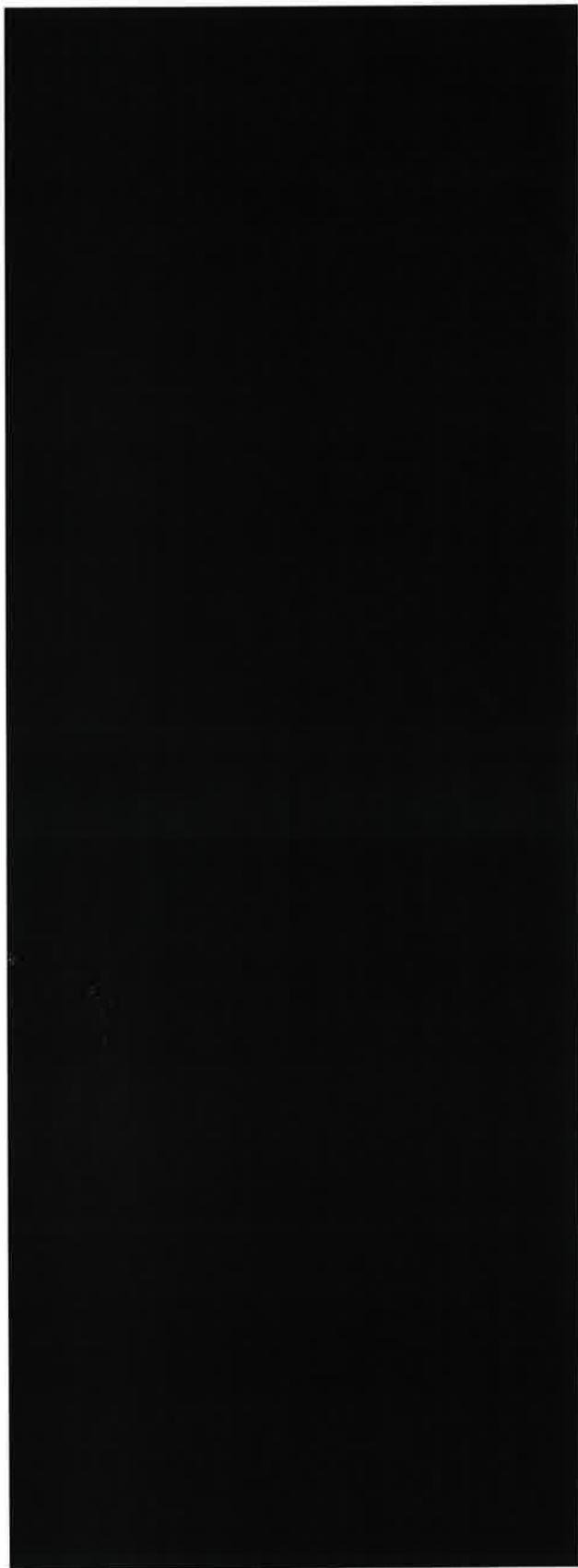
Top 10 credit Small Business (without CM)

Latvia



Top 10 credit Small Business (without CM)

Lithuania



Low profitable clients
Profit below EUR 1 000





Myndighet

Ekobrottsmyndigheten

Enhet

Stockholm FMK

Memo 2013-03-01, The

Magnitsky case and Swedbank

Signerat av

Signerat datum

Diar.nr

9000-K822-19

Originalhandlingens förvaringsplats

Datum

2021-01-20

Tid

15:21

Involverad personal

Ann-Christin Sandén

Funktion

Uppgiftslämnare

Berättelse

Beslag 2019-9000-BG369-19

Internal Memo, The Magnitsky Case and Swedbank in Estonia, daterad 2013-03-01.

Toomas Tuuling
AML Officer Swedbank AS

01.03.13

Johan Rosén
Head of Compliance & Operational Risk, Baltic Banking

TO: Håkan Berg
Cecilia Hernqvist
Birgitte Bonnesen
Helena Nelson

CONFIDENTIAL

Internal MEMO

The MAGNITSKY CASE and Swedbank in Estonia

There are at this point no significant legal or compliance risks identified related to this case. There is, however, reputational risk because of possible negative media coverage.

INTRODUCTION

In 2007 Russian subsidiaries of Hermitage were allegedly raided by Russian police and then used by state officials as vehicles for stealing USD 230m of tax money from Russian treasury in a faked tax refund. Sergey Magnitsky was a tax lawyer who was working for Hermitage and who during his investigation discovered this fraud scheme. Nevertheless, after blowing the whistle on the case, he was incriminated for the same tax fraud he discovered and subsequently died in prison from mistreatment.

All this money was paid out from the state Treasury and subsequently laundered using many banks and offshore companies in different jurisdictions, including Russia, Latvia, Lithuania, Estonia, Cyprus, Switzerland and Moldova.

Many states, including Switzerland and Lithuania have started criminal investigations related to this case. In July 2012 attorneys of the law office of Brown Rudnick, who represents Hermitage Management Limited (the investment advisor to Hermitage Fund), filed complaints to Latvian and Estonian authorities. The Latvian complaint we soon found on the Internet but the Estonian complaint was forwarded to us as late as today by media.

Disclosing pretrial info in criminal cases is strictly regulated by law and can be disclosed only by authorization of the prosecutor. If info is not leaked to media or it is not disclosed by authorities, then it is not possible for us to know about this kind of complaints. This is how it was in Estonia.

THE ACCUSATION

In Latvia several well known non-resident banks were mentioned and in Lithuania Ukio Bankas in regards to this case. In Estonia Sampo (Danske) and Hansapank (Swedbank) are named as banks through which money has been laundered.

The complaint sent to Estonian prosecutor's office and the FIU is a request to start an investigation into a possible breach of the Estonian laws on Money Laundering and anti-

Corruption. Brown Rudnick specifically claim that there is an apparent failure of due diligence in that the companies through whose accounts the money travelled were apparent shell-companies.

MEDIA

In January 2013 the Magnitsky case was in Estonian media for the first time in this context, but at that time no Estonian banks were directly mentioned (FIU declined to comment). There was an interview with the head of the Estonian FIU regarding this case and possibilities of starting/not starting criminal investigations. The press also implied that there are problems with due diligence in Estonian banks. Because of this Swedbank was asked for a comment and after that it calmed down.

At the end of February 2013 Eesti Päevaleht presented the extract of the Estonian complaint to Swedbank and Danske for comment, because they had now info who exactly was involved in Estonia.

THE MONEY TRAIL IN SWEDBANK



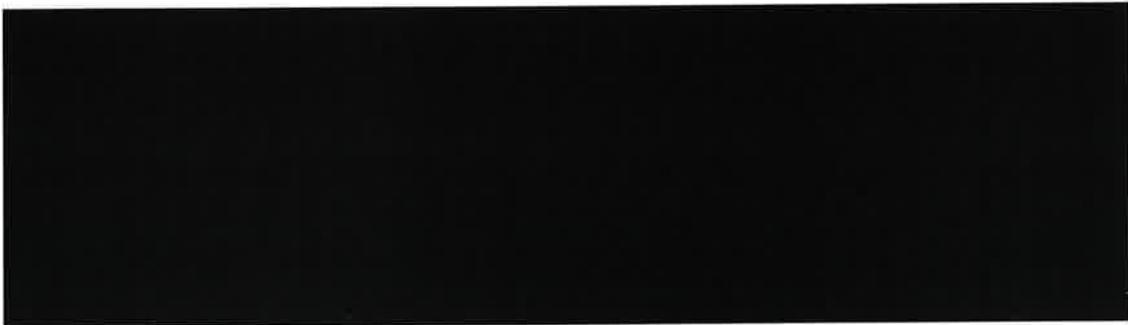
CONCLUSIONS AND ACTIONS





CURRENT STATUS AND RISK

There are at this point no significant legal or compliance risks identified related to this case. There is, however, reputational risk because of possible negative media coverage.



NOW AND THEN IN HIGH RISK NON-RESIDENT BUSINESS



DOES SOMETHING NEED IMPROVEMENTS?



→ #



Myndighet

Ekobrottsmyndigheten

Enhet

Stockholm FMK

2017-09-13 Memo re the Azerbaijan laundromat (DBE)

Signerat av

Signerat datum

Diariernr

9000-K822-19

Originalhandlingens förvaringsplats

Datum

2021-01-21

Tid

16:02

Involverad personal

Björn Sandman

Funktion

Uppgiftslämnare

Berättelse

2017-09-13 Memo re the Azerbaijan laundromat (Danske Bank Estonia)

2017-09-12 Activities taken on the Azerbaijani Laundromat media Coverage

2017-09-13 Mejl från Håkan Bengtsson till Birgitte Bonnesen med ovan två Memon som bilagor.

Mejlbeslag 2019-9000-BG294-1,

Prepared for; CEO

Memo re the Azerbaijan laundromat (Danske bank Estonia)

Confidential

2017-09-13

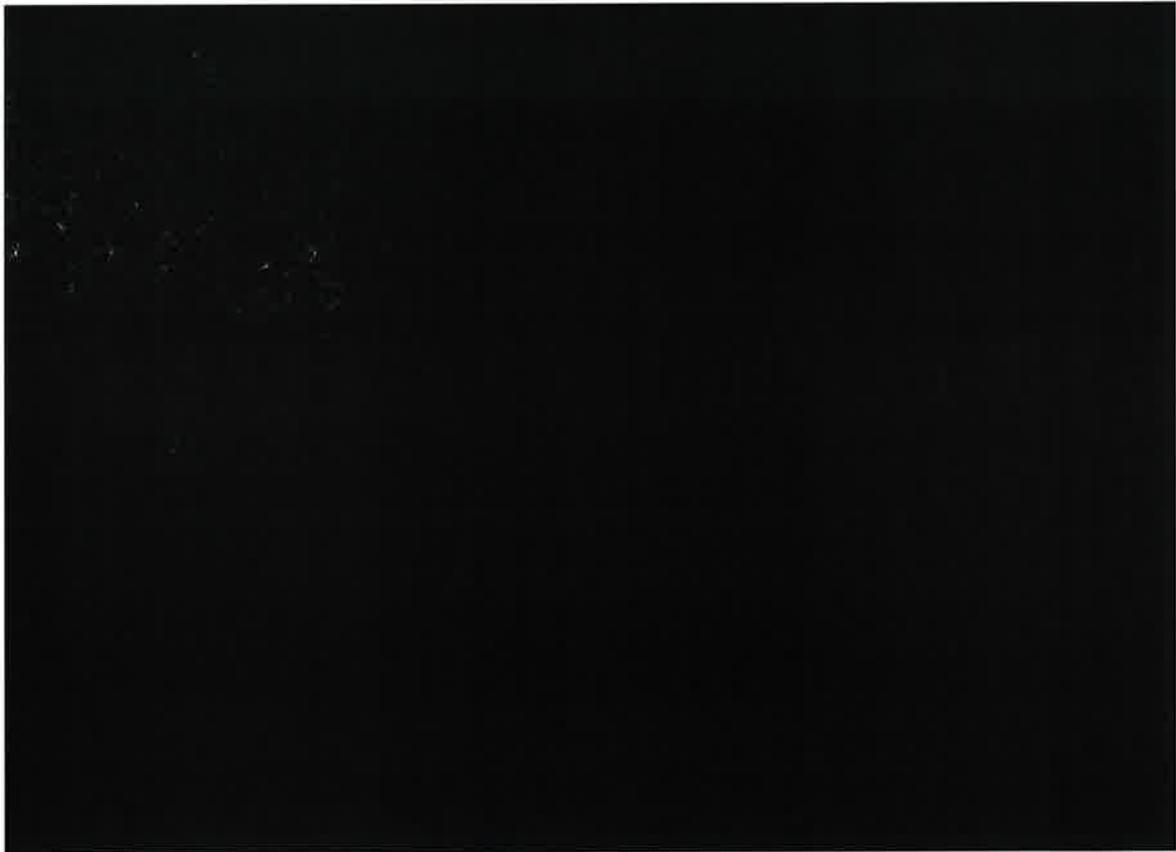
Prepared by:
Håkan Bengtsson on behalf of Charlotte Elsnitz

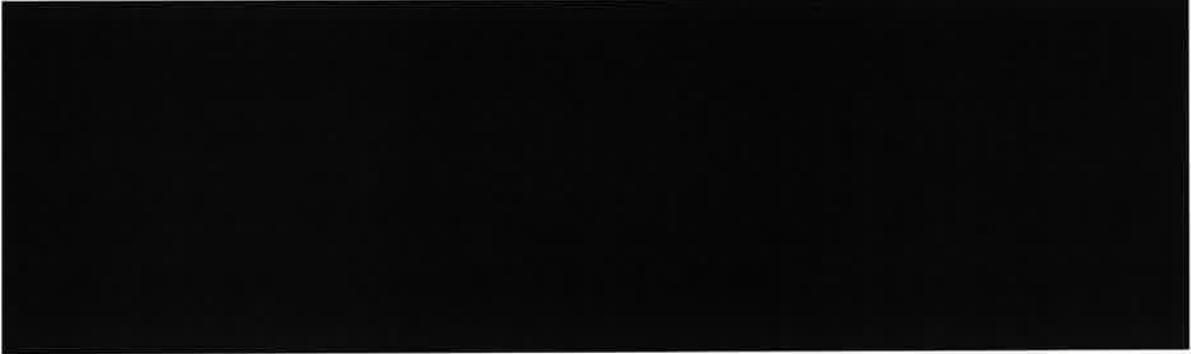
I. Background

During the first week of September 2017 there were several articles in media on Danske bank Estonia in relation to alleged money laundering connected to Azerbaijan. The articles explicitly named certain companies to which large sums of money should have been routed from Danske bank in Estonia. In the articles certain main companies were mentioned as receivers of funds through Danske bank; i.e. [REDACTED] (the "**Main Companies**").

Based on available information of named entities and individuals, and other related parties, actions was taken together with Baltic Banking AFCIS and in cooperation with local compliance in order to identify potential association to named entities or transactions that could be linked to Swedbank Estonia (as Estonia was explicitly pointed out) or Swedbank in Latvia or Lithuania.

II. Conclusions/status from investigation as of today, 2017-09-13





III. Risks related to current findings



IV. Further activities / Next step



Bilaga

2017-09-12 Activities taken on the Azerbaijani Laun

Bilaga till Externt dokument 2021-01-21 16:02, diari nr 9000-K822-19

Beskrivning

2017-09-13 Activities taken on the Azerbaijani Laundromat media coverage.

Prepared for: To whom it may concern

Activities taken on the Azerbaijani Laundromat media coverage

Status Update Memo

Confidential

Date: 2017/09/12

Prepared by: AFCIS BB based on input collected from
Compliance and AFCIS teams

BACKGROUND

During 04.09.2017 – 06.09.2017 there were several articles in media on Danske bank Estonia relations to Azerbaijani Laundromat scheme.

https://www.theguardian.com/world/2017/sep/04/everything-you-need-to-know-about-the-azerbaijani-laundromat?CMP=share_btn_link

<http://www.aripaev.ee/uudised/2017/09/04/aserite-pesumasin-ule-2-miljardi-huugas-labi-eesi>

<http://www.aripaev.ee/uudised/2017/09/05/aseri-pesumasin-as-liigutasid-miljoneid-ka-eesi-firmad>

<http://www.aripaev.ee/uudised/2017/09/06/kuidas-eesi-danske-bakuus-miljardite-pooritajad-klendiks-varbas>

<http://www.aripaev.ee/uudised/2017/09/06/rehe-juhitud-danske-oli-offshorkade-paradiis>

<http://www.aripaev.ee/uudised/2017/09/04/aserite-pesumasin-osaline-oli-Juri-Moisa-firma-klient>

The AFCIS EE compiled a list of involved companies. In total there are 173 entities and individuals listed: main concern is related to companies [REDACTED], [REDACTED], [REDACTED] and [REDACTED]; however aim of the full list was to identify Swedbank customers potential association to toxic entities.

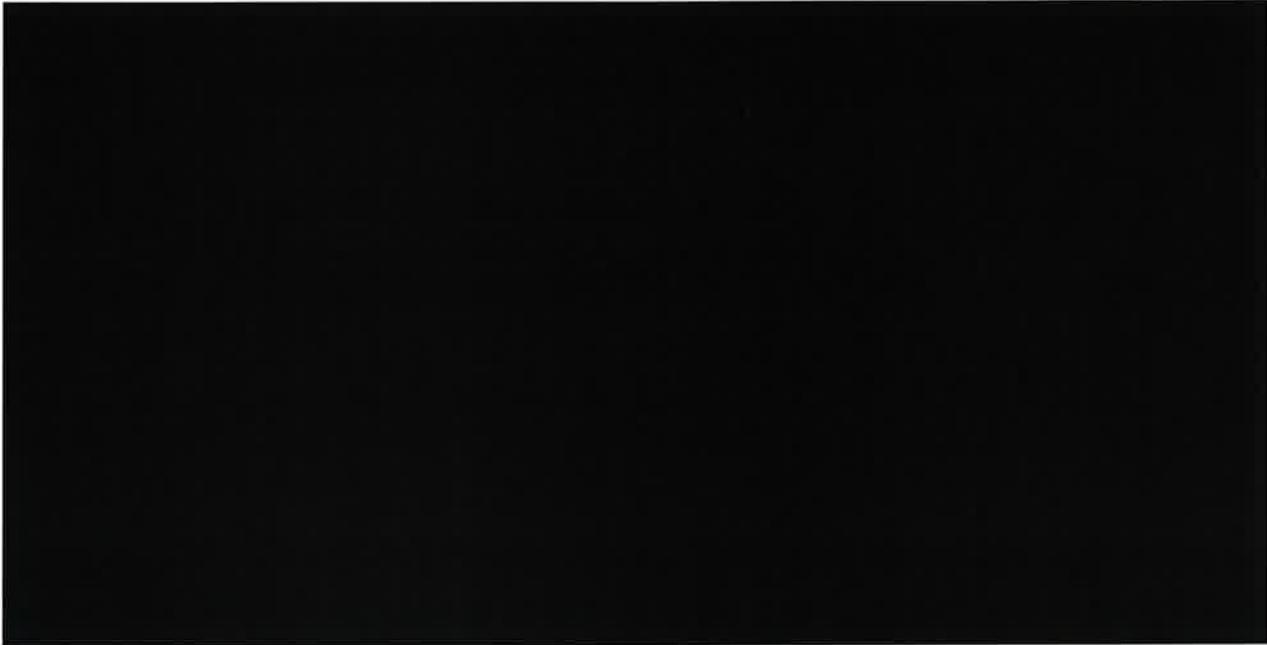
In cooperation with Compliance Estonia there was verified that Swedbank Estonia do not have direct customer relationship with the listed companies and individuals.

PanBaltic IT request to identify customers transactions connected to listed subjects was completed. The IT request was based on name search only (according to data available., therefore matches needs to be verified to work further e.g. [REDACTED]; however preliminary results as of 12th of September 2017 can be shared.

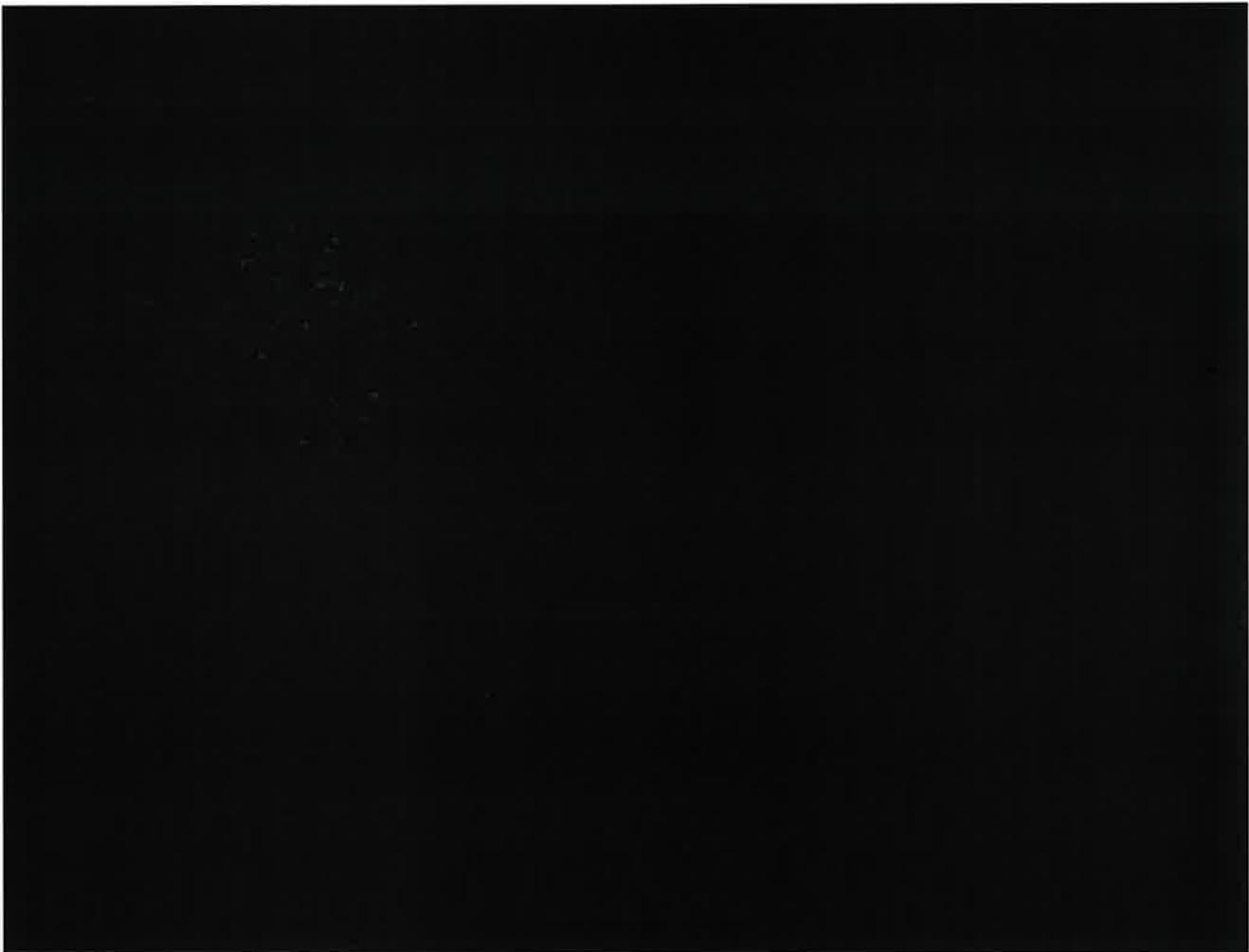
Status as of 12th of September 2017

Swedbank Estonia customer 's transactions with listed subjects 2012-2017



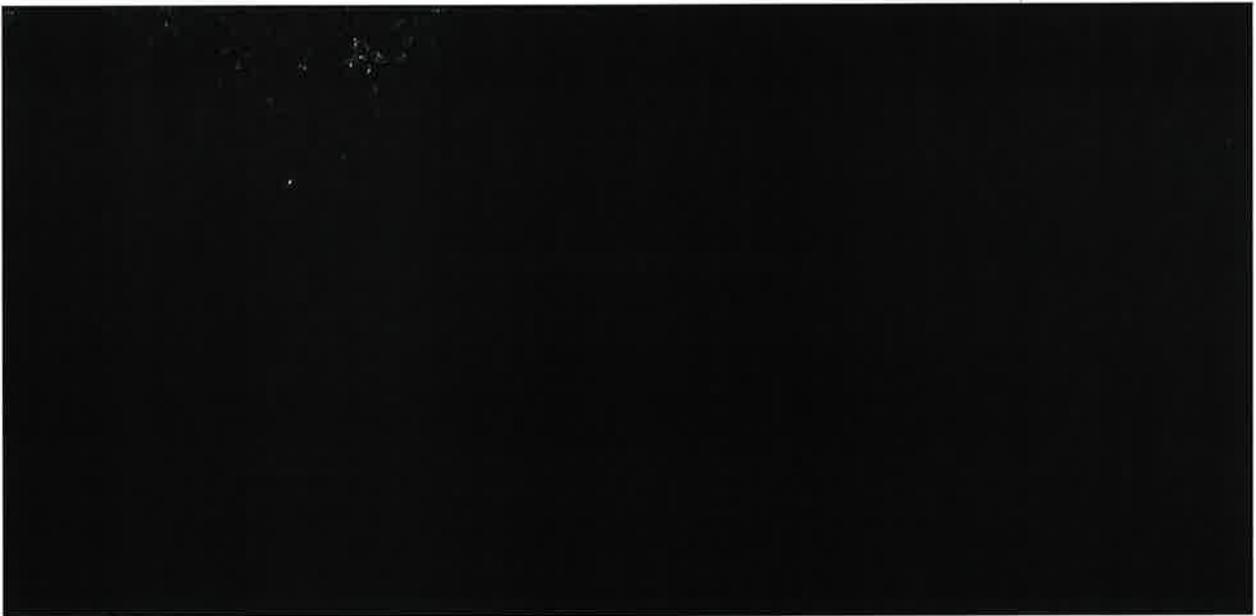


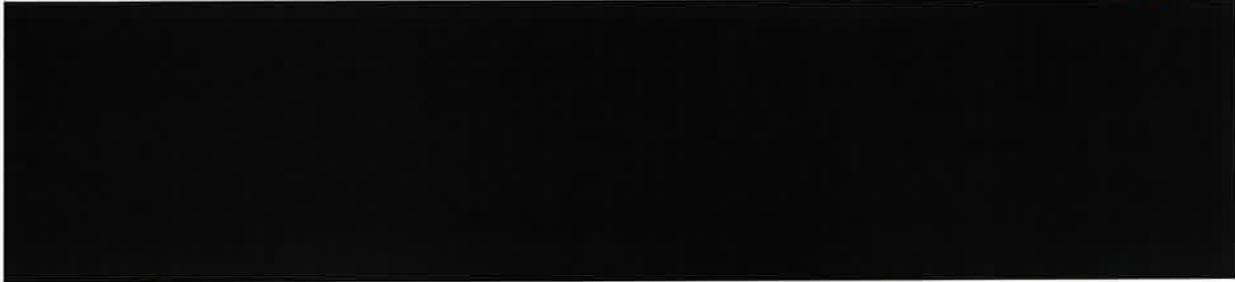
1. Main concern is related to companies [redacted], [redacted], [redacted] and [redacted].





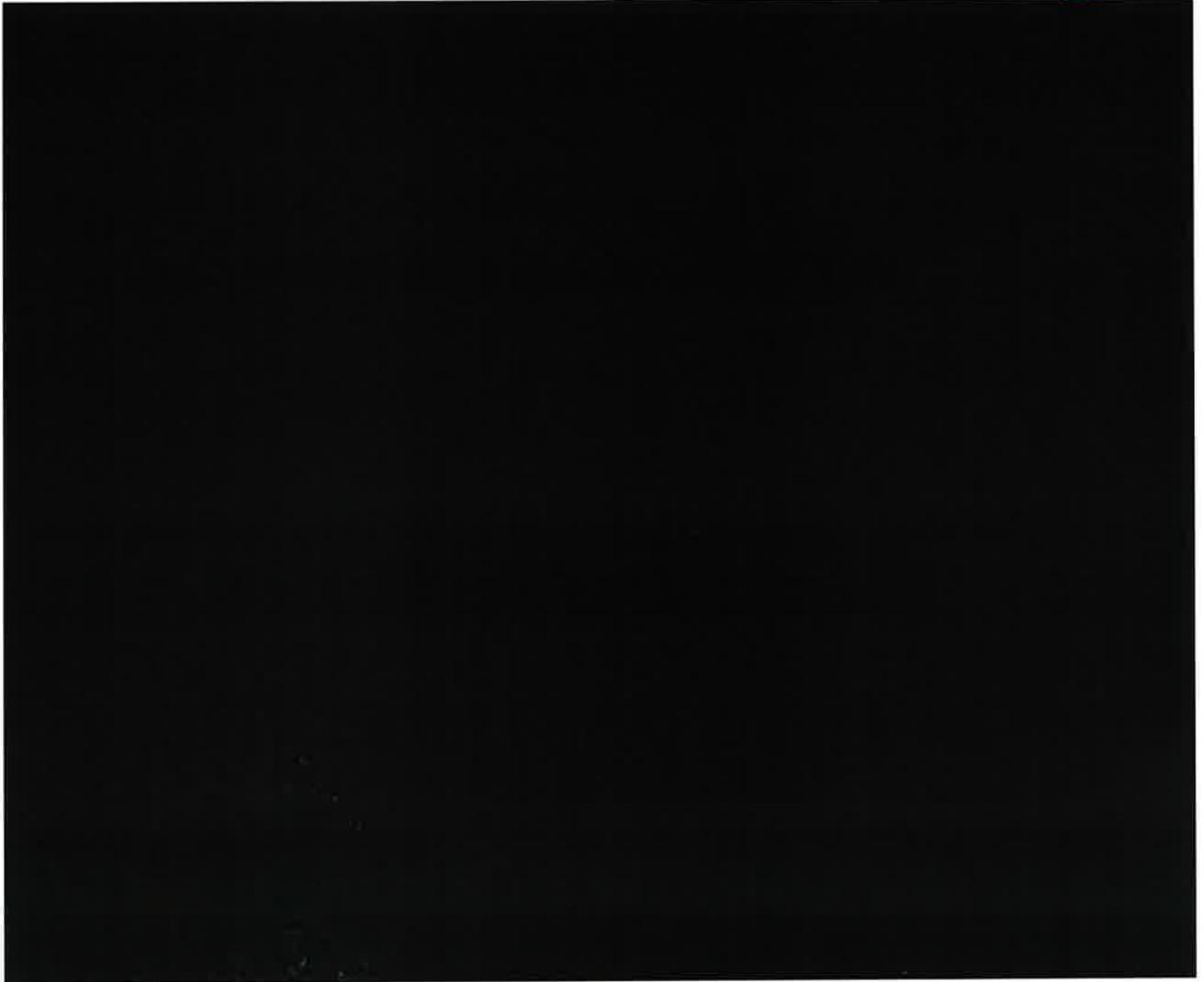
Swedbank Latvia customer's transactions with listed subjects 2012-2017



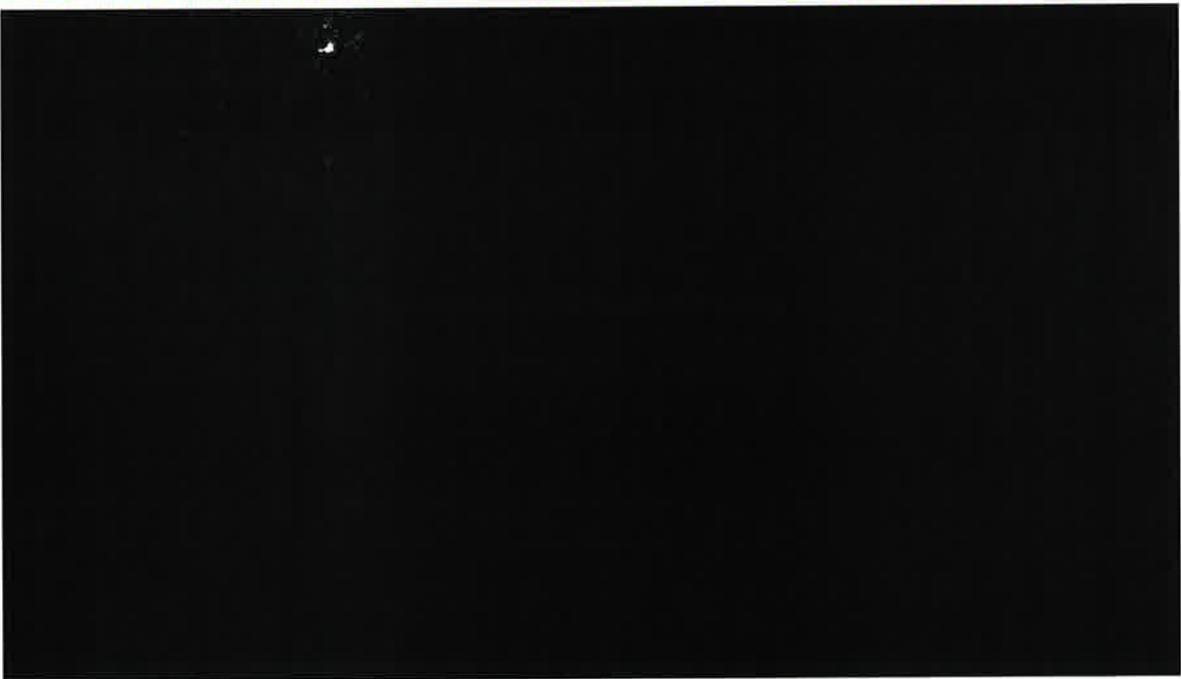


2. Main concern is related to companies [redacted], [redacted], [redacted] and [redacted]



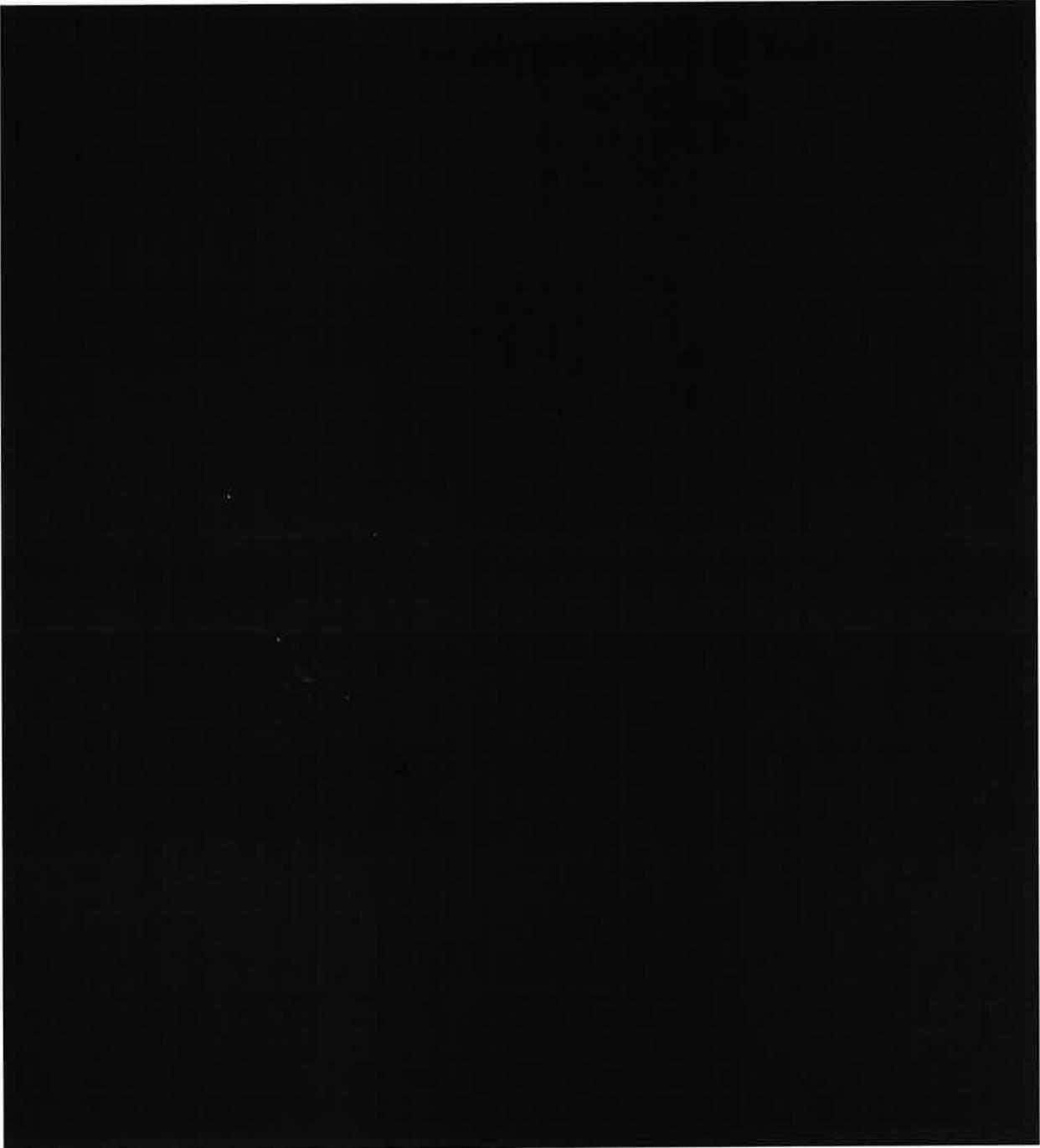


Swedbank Lithuania customer's transactions with listed subjects 2012-2017





3. Main concern is related to companies [REDACTED], [REDACTED], [REDACTED] and [REDACTED].





Bilaga

2017-09-13 Mejl Danske Azerbadjan

Bilaga till Externt dokument 2021-01-21 16:02, diariernr 9000-K822-19

Beskrivning

2017-09-13 Mejl Danske Azerbadjan

Från Håkan Bengtsson till Birgitte Bonnesen

Kopia till Charlotte Elsnitz, Cecilia Hernqvist

From: Håkan Bengtsson <hakan.bengtsson@swedbank.com>
Sent: 2019-03-07 13:27:16 +0000
To: Håkan Bengtsson <hakan.bengtsson@swedbank.com>
Subject: FW: FW: Danske Azerbadjan
Attachments: Danske AzerbadjanHB.docx; Appendix AFCIS SK Azerbaijani Laundromat status 12092017.docx

From: Håkan Bengtsson
Sent: den 13 september 2017 15:16
To: Birgitte Bonnesen
Cc: Charlotte Elsnitz; Cecilia Hernqvist
Subject: Danske Azerbadjan

Birgitte,

Attached please find a memo re actions in connection with the media re Danske and Azerbadjan transactions and as agreed with Charlotte.

I also attach a more detailed description/appendix of certain transactions etc, compiled by AFCIS / Sven K.

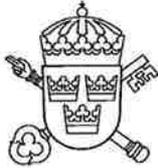
Sorry for the delay.

BR // Håkan

cc Cecilia H

Message Headers:

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Content-Type: application/ms-tnef; name="winmail.dat"
Content-Transfer-Encoding: binary
From: Håkan Bengtsson <hakan.bengtsson@swedbank.com>
To: Håkan Bengtsson <hakan.bengtsson@swedbank.com>
Subject: FW: Danske Azerbadjan
Thread-Topic: Danske Azerbadjan
Thread-Index: AdMskgYRsJkpx5OgSpySogb9/M013GoV29cw
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Return-Path: hakan.bengtsson@swedbank.com



Myndighet
Ekobrottsmyndigheten

Enhet
Stockholm FMK

The Board of Directors

2018-09-27 (2018-10-08)

416

Signerat av

Signerat datum

Diariennr
9000-K822-19

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Björn Sandman

Funktion

Uppgiftslämnare

Berättelse

Powerpoint-presentation "The Board of Directors 27 september 2018 Swedbank Compliance"

Datum sidfot 2018-10-08.

Inkommen handling 2019-03-13 från Finansinspektionen till EBM och Chefsåklagare
Thomas Langrot.

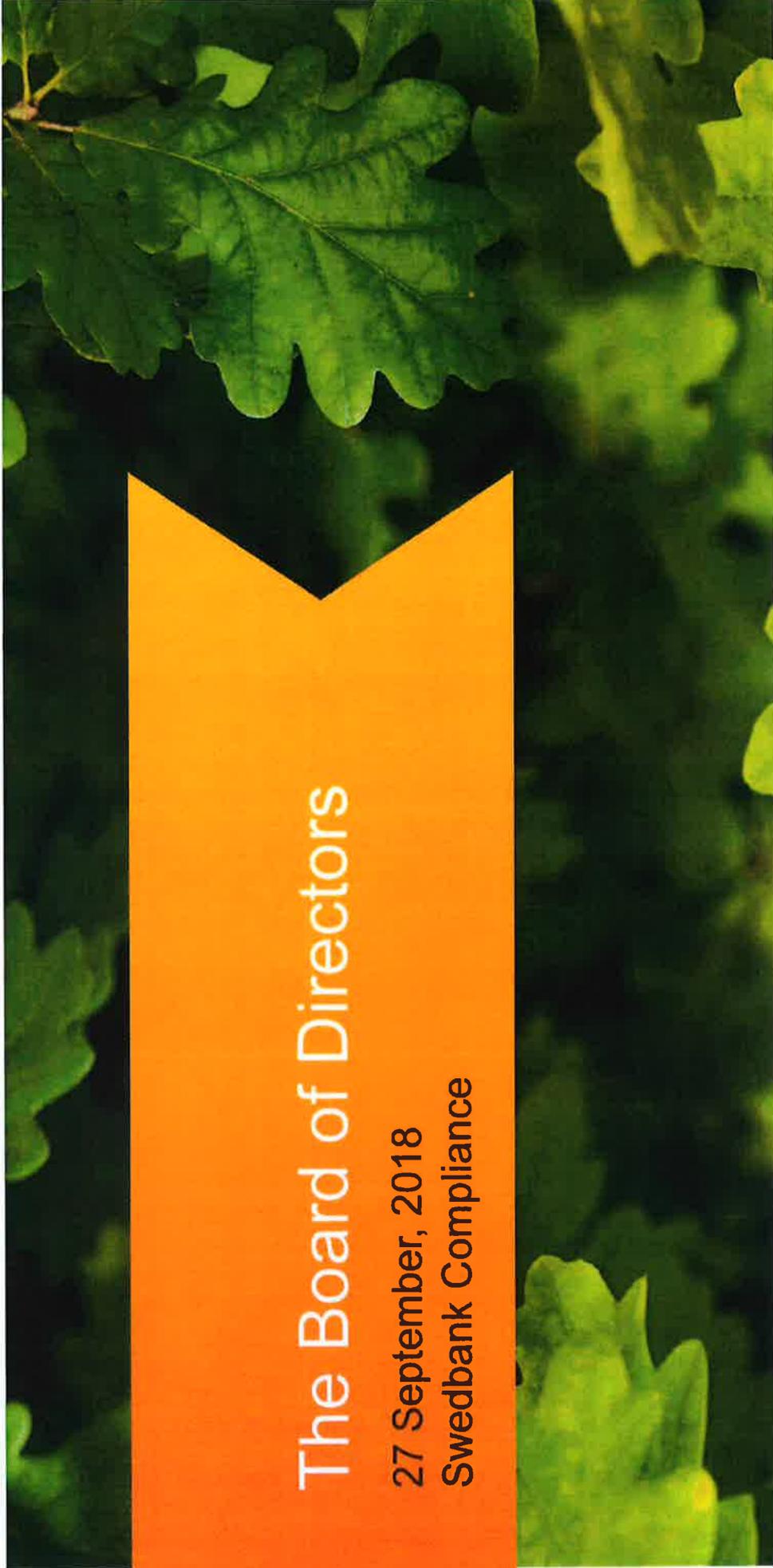
Handlingen är tidigare diarieförd i ärende 9000-K564-19



Confidential

The Board of Directors

27 September, 2018
Swedbank Compliance





Money Laundering & Terrorist Financing

Agenda

- What are the external challenges
- How do we work with the high ML/TF risks – i.e. not day-to-day basis
- What has been done in relation to Danske Bank's alleged ML/TF risks for its business in Estonia ("DBE")
- What are the internal challenges
- Questions

Highlights DBE from their report

- “Non-Resident” Portfolio” acquired from Sampo in 2007
- Run as a separate business unit, separate IT systems
- 10 000 clients but in total 15 000 clients
- So far approx. 6 200 clients examined – vast majority suspicious
- Started one year ago with 70 FTE’s and until now DKK 200m of cost
- Several “warnings” - regulators, correspondent banks & conduct:
 - First already 2007; the EFSA & the Russian Central bank (FSA)
 - ROE on the portfolio was 402 % in 2013, on deposits and payments – insignificant credits
- 42 employees/agents involved in suspicious activity, 8 reported to Estonian police

Highlights DBE – what did we know from media and other

- Berlingske & OCCRP access to internal documents/account statements?
- DBE clients transferred funds linked to worldwide organized money laundering schemes like:
 - **Magnitsky** - DKK 28bn (07-15) connected to Russian tax fraud; named after the lawyer S Magnitsky, who died in Russian prison
 - **Moldova** - DKK 7bn (11-14) connected to tax fraud and corruption etc. involving Russian organized criminals
 - **Azerbaijani Laundromat** - DKK 18bn (12-14) connected to fraud and corruption also pointing at European officials and politicians
 - **Russian Laundromat** - Transaction value unknown, but conducted (07-15) connected to companies alleged controlled by the family of Putin and FSB
 - **Deutsche Bank Mirror Trading** – Russian FX trades

What has been done as a result of DBE - Method

- Initiated internal investigation mainly employees in the Estonian bank - former and current - not only related to DBE
- Transaction data 2007- 2015 collected for all three Baltic countries
- Compliance supported by BDO in Norway with data analytics, tools and resources
- Due to the big amount of data limitations were applied:
 - A portfolio investigation on a risk based approach – not generally transaction-by-transaction (however done in several cases by Compliance)
 - Questionable transactions and parties were analysed based on risk indicators
 - Thresholds of EUR 5000 for domestic payments and EUR 2500 for foreign payments

What has been done as a result of DBE – Method cont'd

- Former & current customers run against the risk indicators and clustered
- Some clients only identified with one single transaction others have several transactions considered questionable/suspicious
- **Disclaimer:** Even though former & current clients have been linked/involved in some suspicious payments it does not necessarily imply:
 - that such payments or all of their payments were suspicious
 - that criminal activity is behind the transactions

What has been done in relation to DBE -- Method cont'd

- Approx. 500 000 transactions analysed based on the risk indicators such as:
 - 1) **legal form:** LP, LLP, LTD, LIMITED, LLC, INC, CORP, S.A. (more legal forms later identified relevant, e.g., GMBH, A.G. A/S)
 - 2) **payment description:** "loan", "refund", "repaid", "return" (more payment details have been found relevant, e.g., "consulting", "corporate service" but have been deemed insignificant)
 - 3) **currency:** EUR and USD. Other currencies GBP, RUB and, CHF have been identified but have been deemed insignificant
 - 4) **counterparties**, i.e. clients of DBE
- By applying the risk indicators approx. 30 000 transactions performed by approx. 3400 clients (former/current) with counterparties of DBE

What has been done in relation to DBE – Method cont'd

- The 30 000 transactions were analysed also by links to 569 other non-acceptable companies identified by Compliance related to:
 - Magnitsky, Moldova, Azerbaijani Laundromat, Russian Laundromat, The Deutsche Bank Mirror Trading
 - The Odessa Network
 - Additional Laundromat associated company not profiled in the OCCRP list and companies from the "Prevezon case"
 - Companies linked to North Korea and Syria illegal arm's trade
 - Compliance's own list, started in 2017, for companies linked to specific offshore companies and proxy/nominee individuals

Conclusions of the DBE investigation

- 1. None of the entities mentioned in media related to DBE identified as clients**
- 2. 11 clients and former 18 clients identified as non-acceptable risk - urgent measures will be taken – prio 1&2**
- 3. 176 clients identified with links to infamous proxy holders risk - requires urgent measures – prio 3**
- 4. 163 counterparties, i.e. clients of DBE, identified as non-acceptable risks made transactions with our clients (former and current clients) – requires urgent measures – prio 4**

Conclusions of the DBE investigation – cont'd

1. **2000 current clients** identified with some links (to be investigated case-by-case with a risk-based approach)
2. The turnover of identified questionable/suspicious clients (former¤t) and/or counterparties amounts to approx. **EUR 3 200m** and approx. **USD 6 700m** from 2007 till 2015
3. DBE report states turnover for **10 000** clients for the same period to be **EUR 200 000m** (mostly USD&EUR)

Way forward





Rapport

Signerat av

Myndighet

Ekobrottsmyndigheten 2018-09-27 Memo on Danske Banks case related issue

Signerat datum

Enhet

Stockholm FMK

Dariennr

9000-K822-19

Originalhandlingens förvaringsplats

Datum

2019-10-30

Tid

22:46

Involverad personal

Björn Sandman

Funktion

Uppgiftslämnare

Berättelse

Inkommen handling från FI 2019-06-03.
Handlingen har tidigare varit diarieförd i 9000-K564-19

Handlingen finns även i beslag: 2019-9000-BG369-17 från
husrannsakan hos Swedbank 2019-04-24



Memo on DANSKE BANK's case related issues

Internal Memo/Confidential

Receivers:
CEO of Swedbank Estonia
Håkan Bengtsson, Swedbank Group Compliance

Prepared by:
GSI Investigations Estonia
2018-09-27

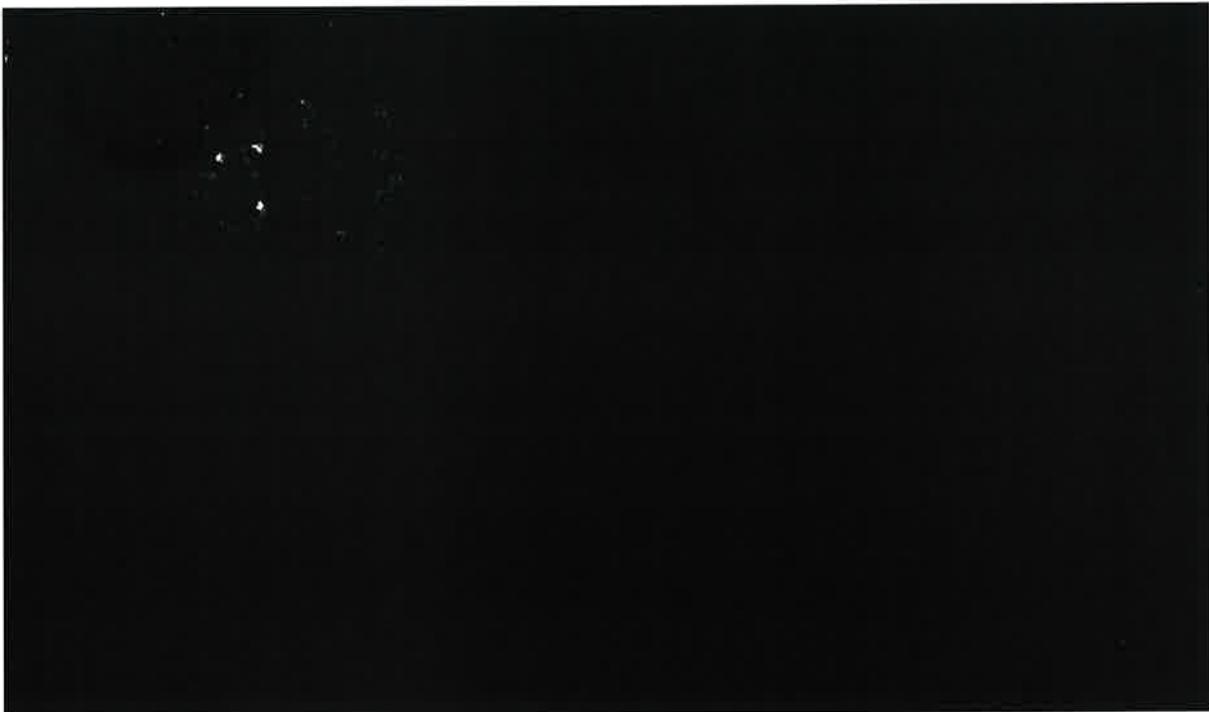
Executive summary





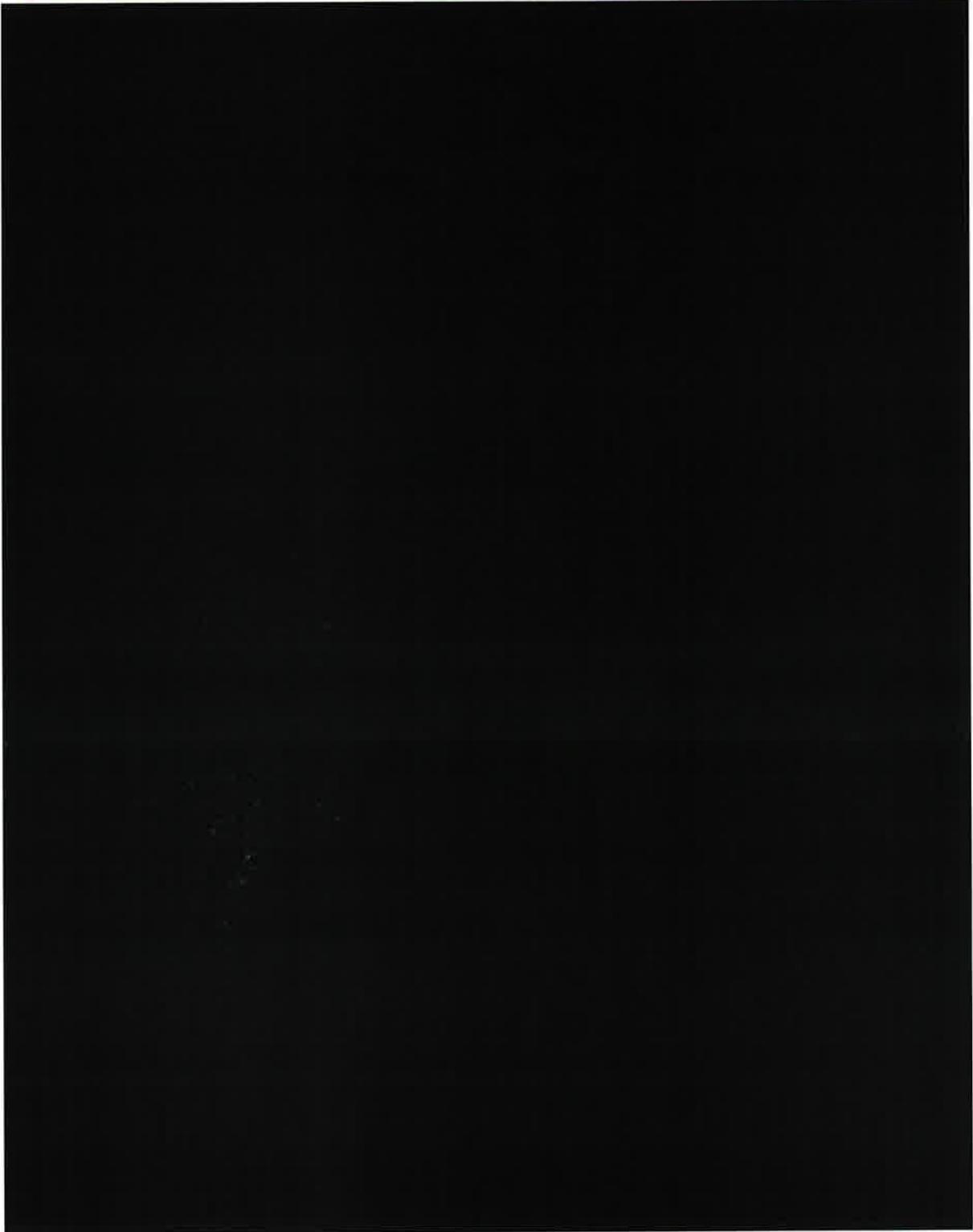
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[REDACTED].....	19
[REDACTED].....	21
[REDACTED].....	23
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[REDACTED].....	28
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[REDACTED].....	29
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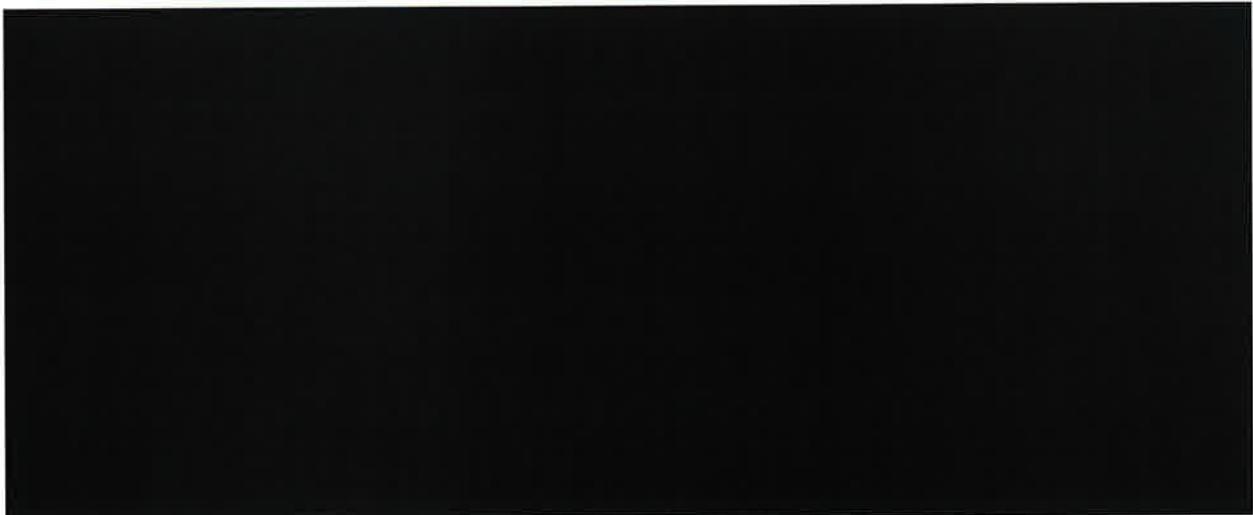


Background





Scope and focus

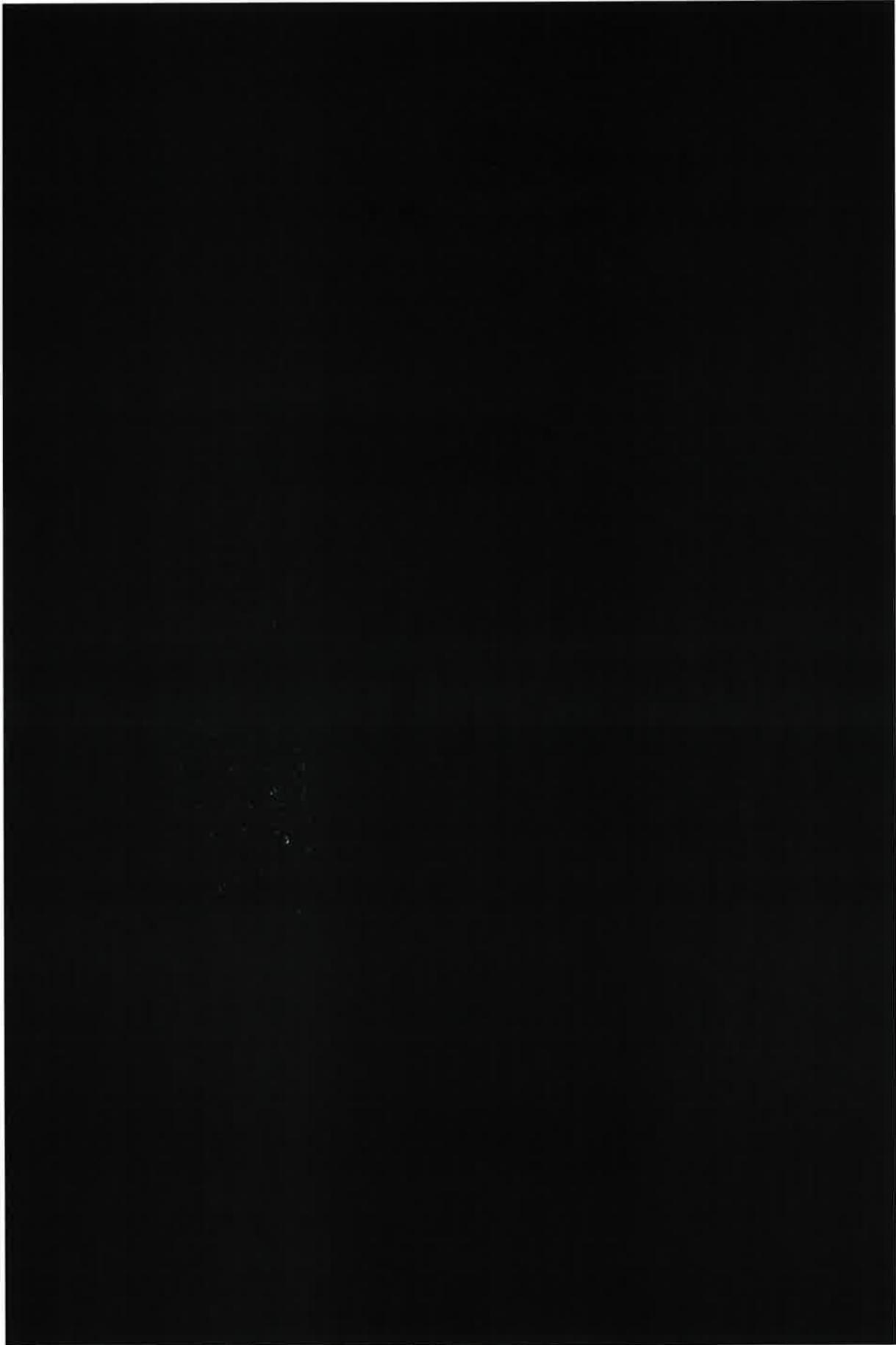




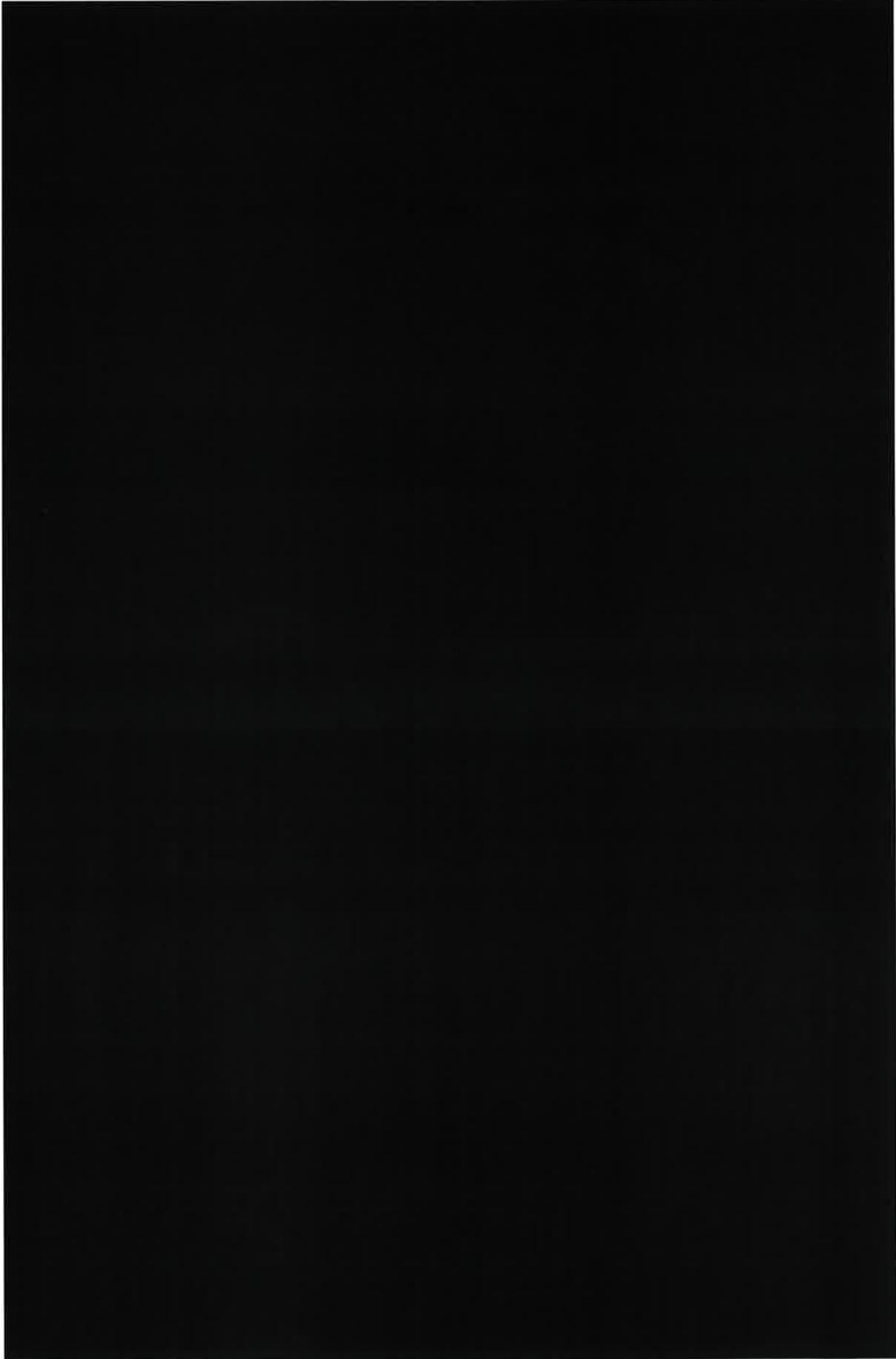
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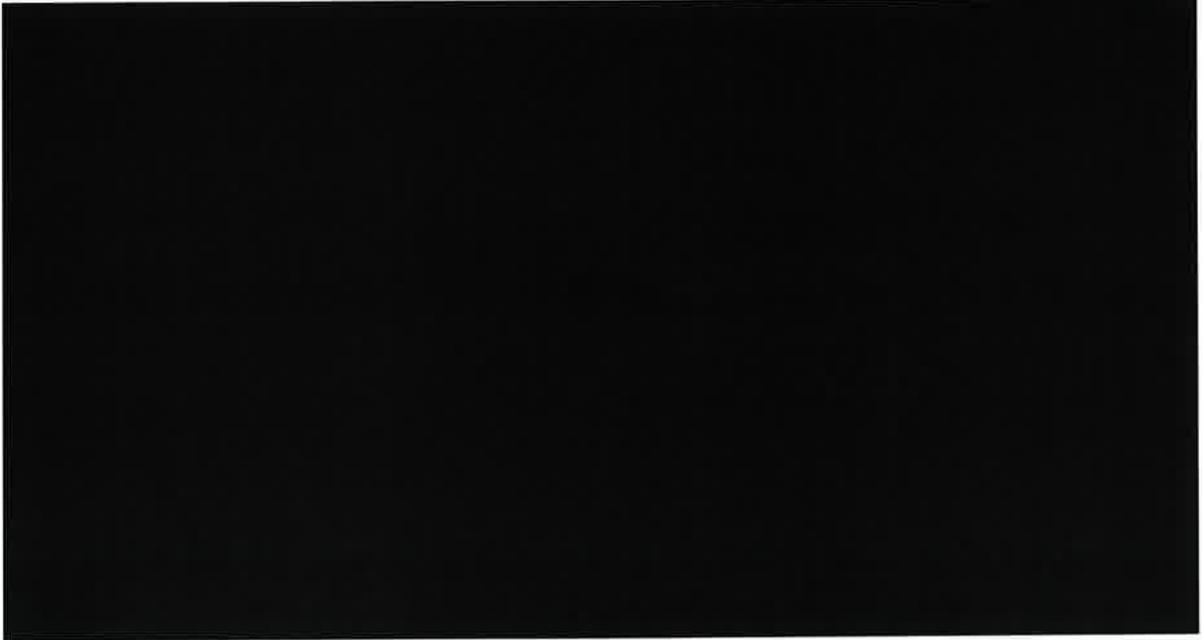
Methodology and activities

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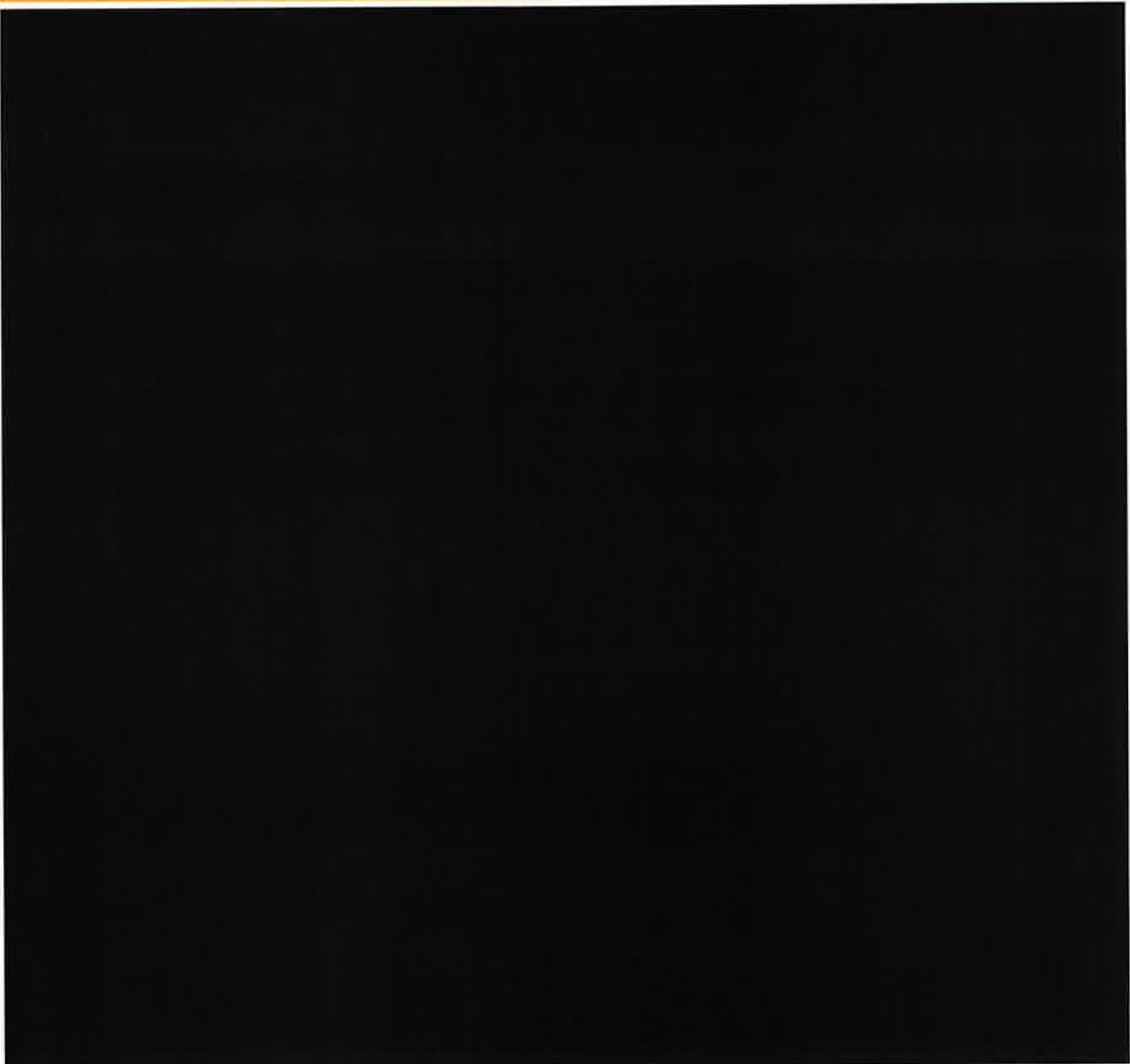


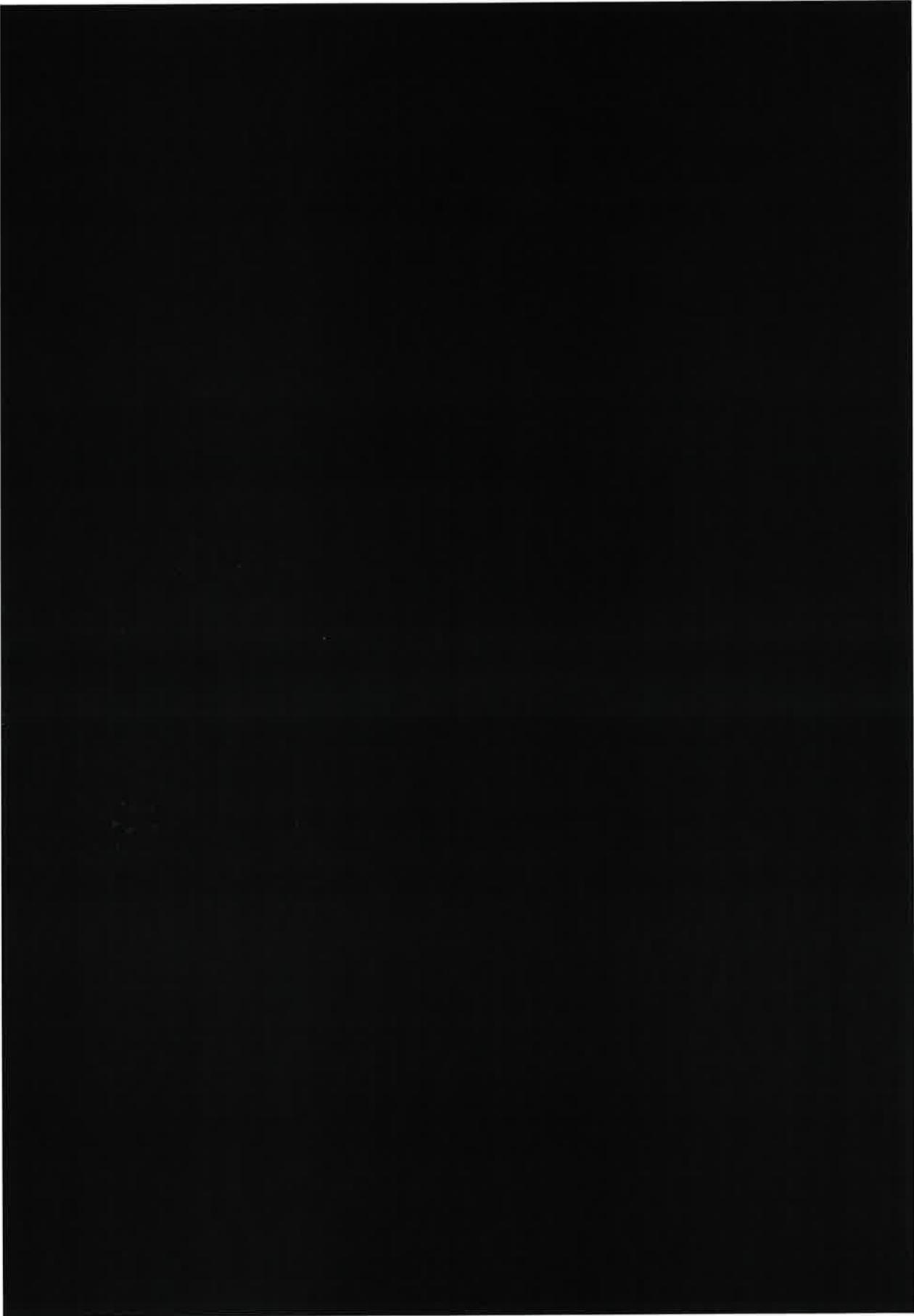


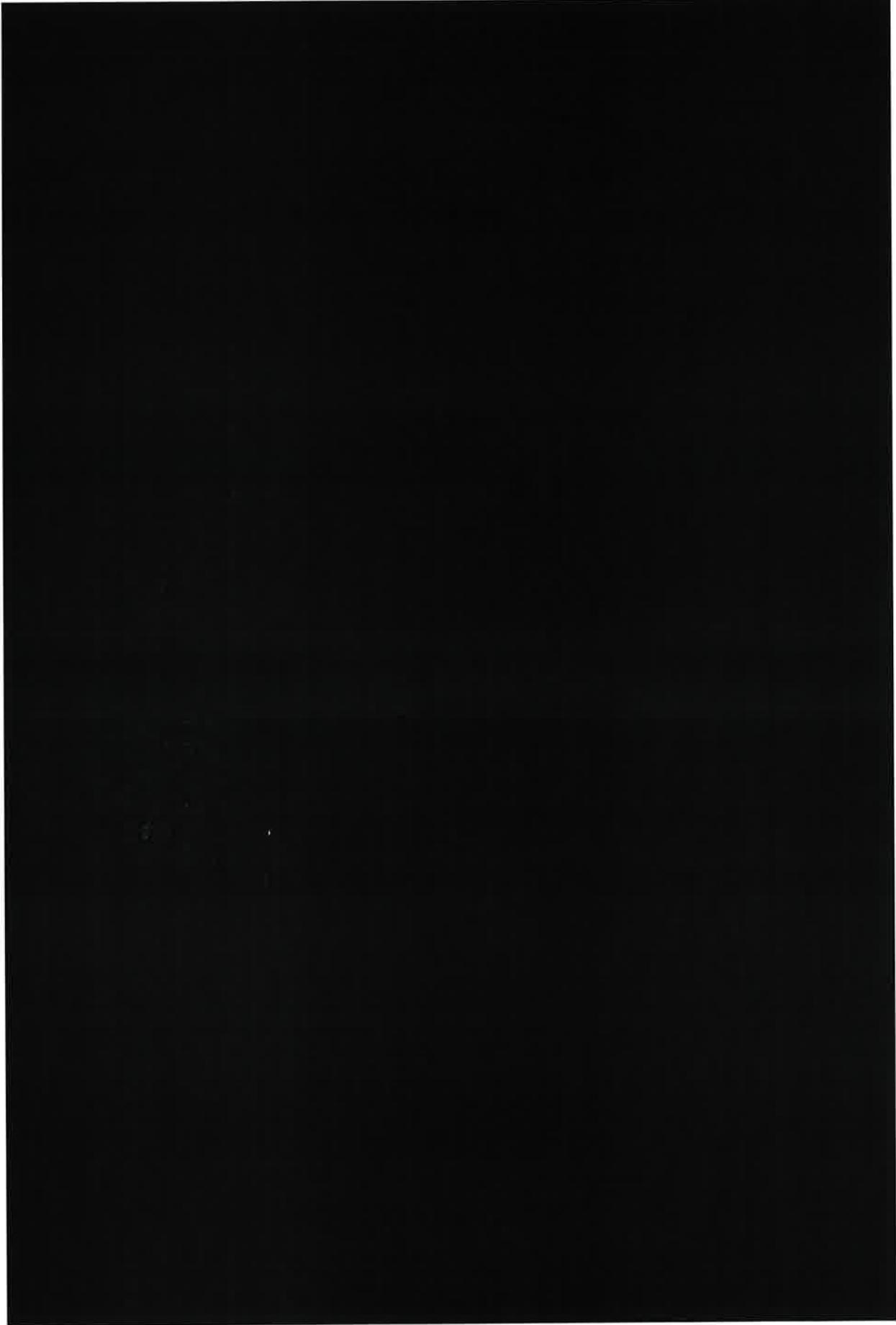




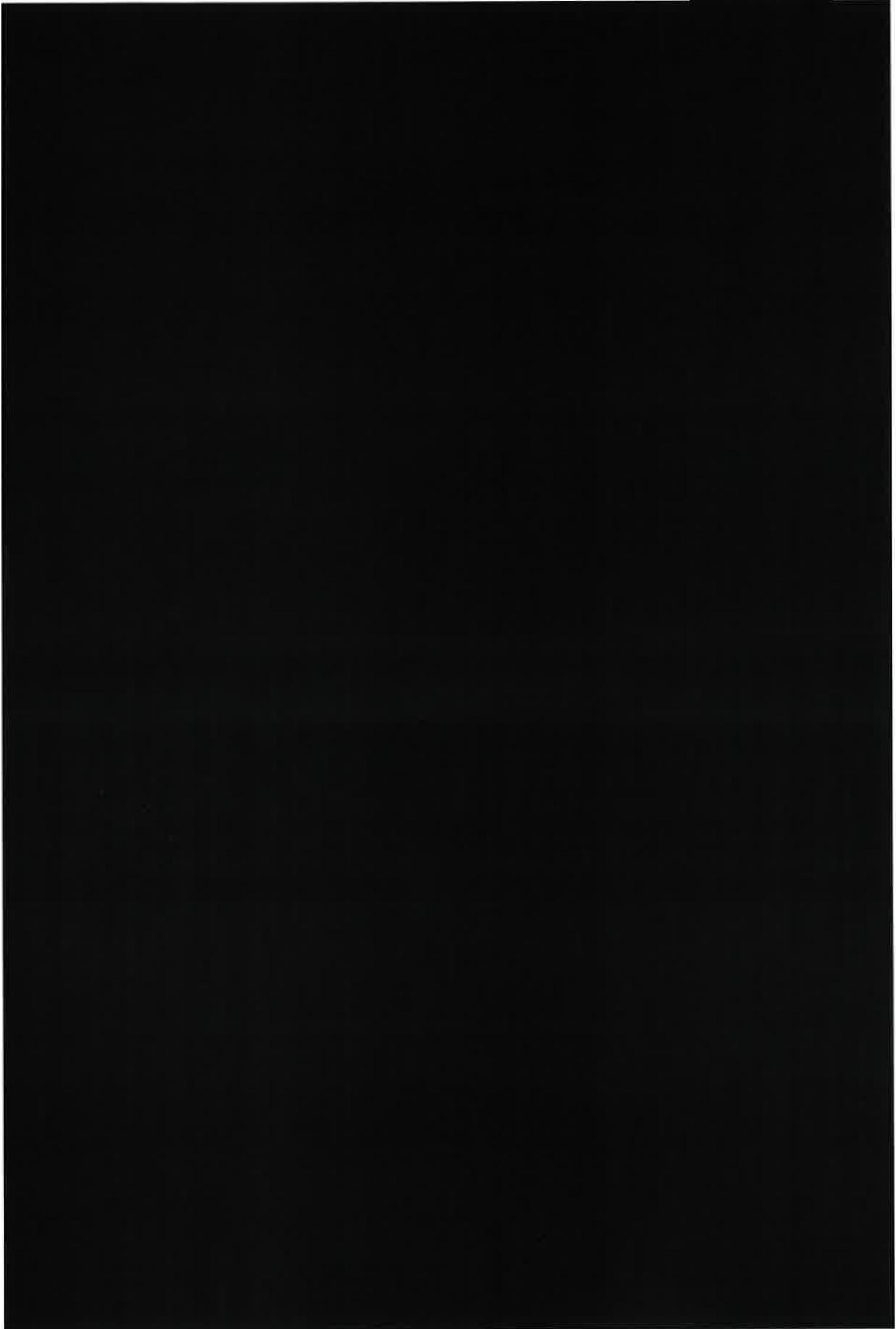
Outcome/findings in more detail



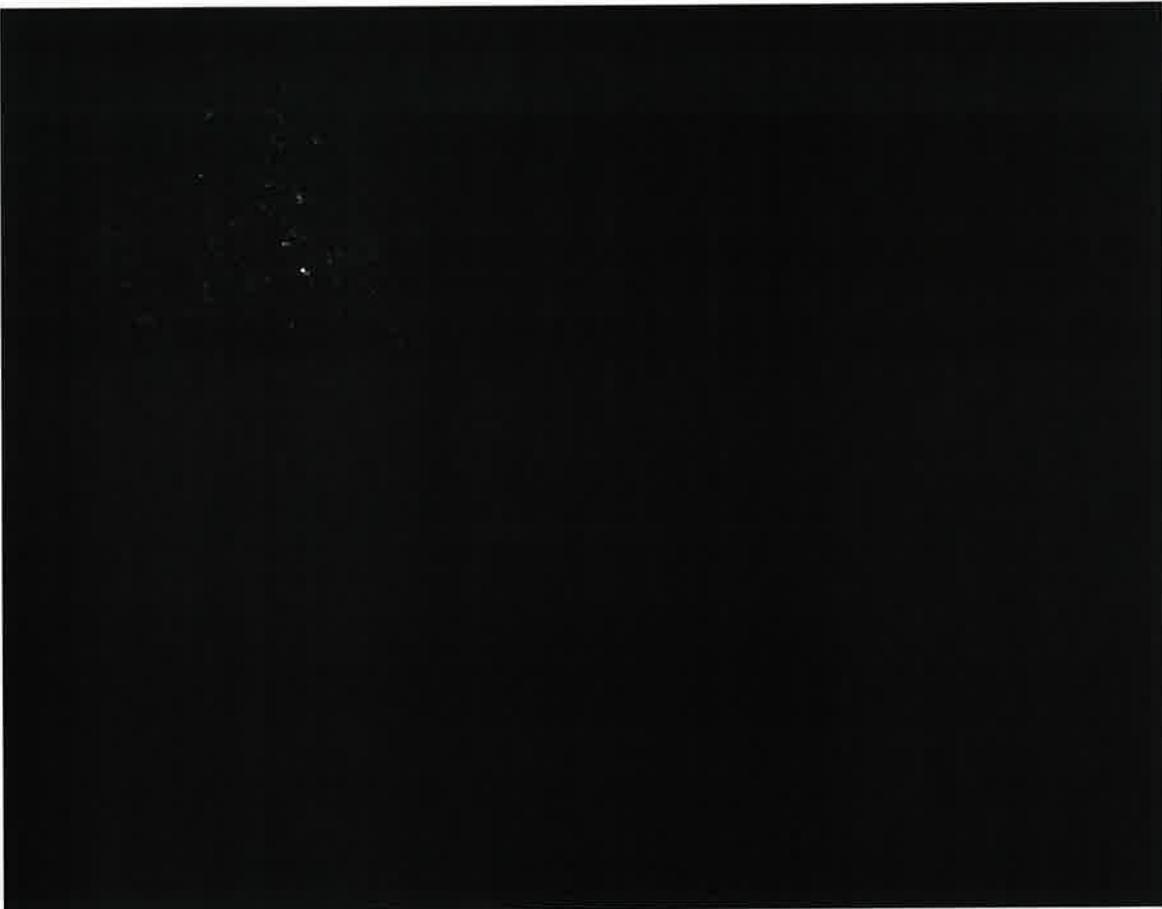
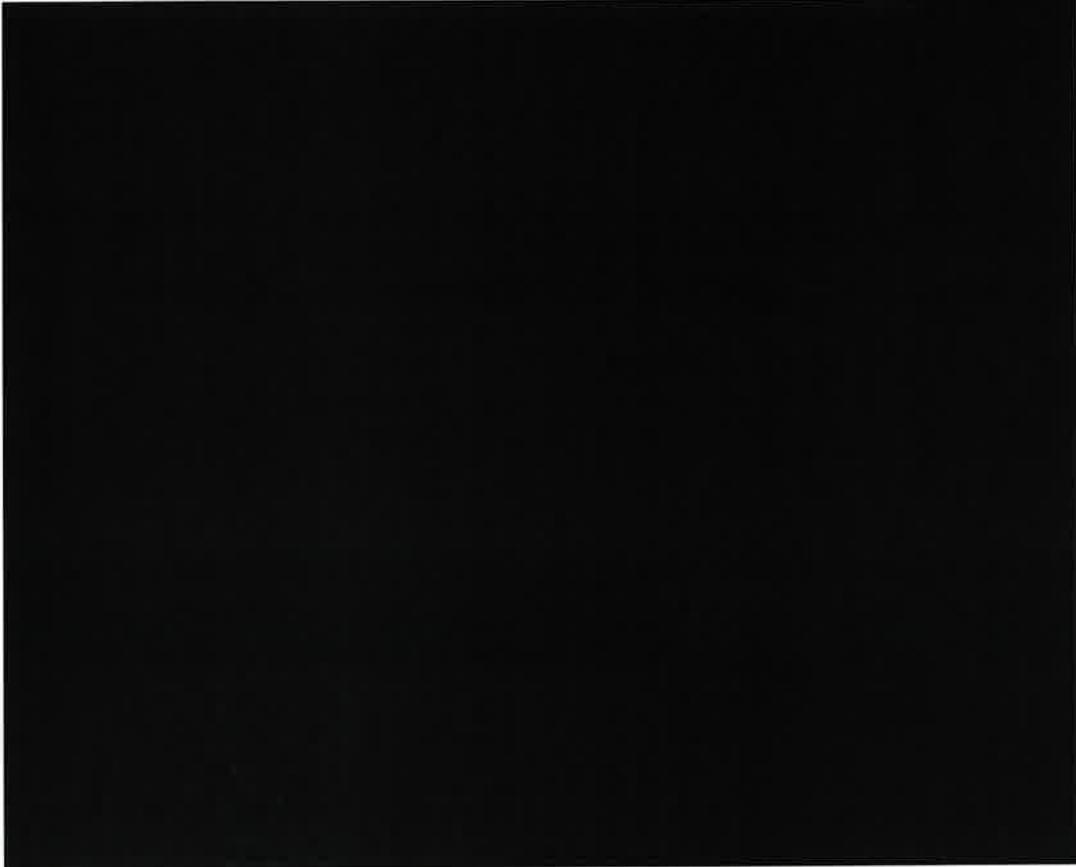


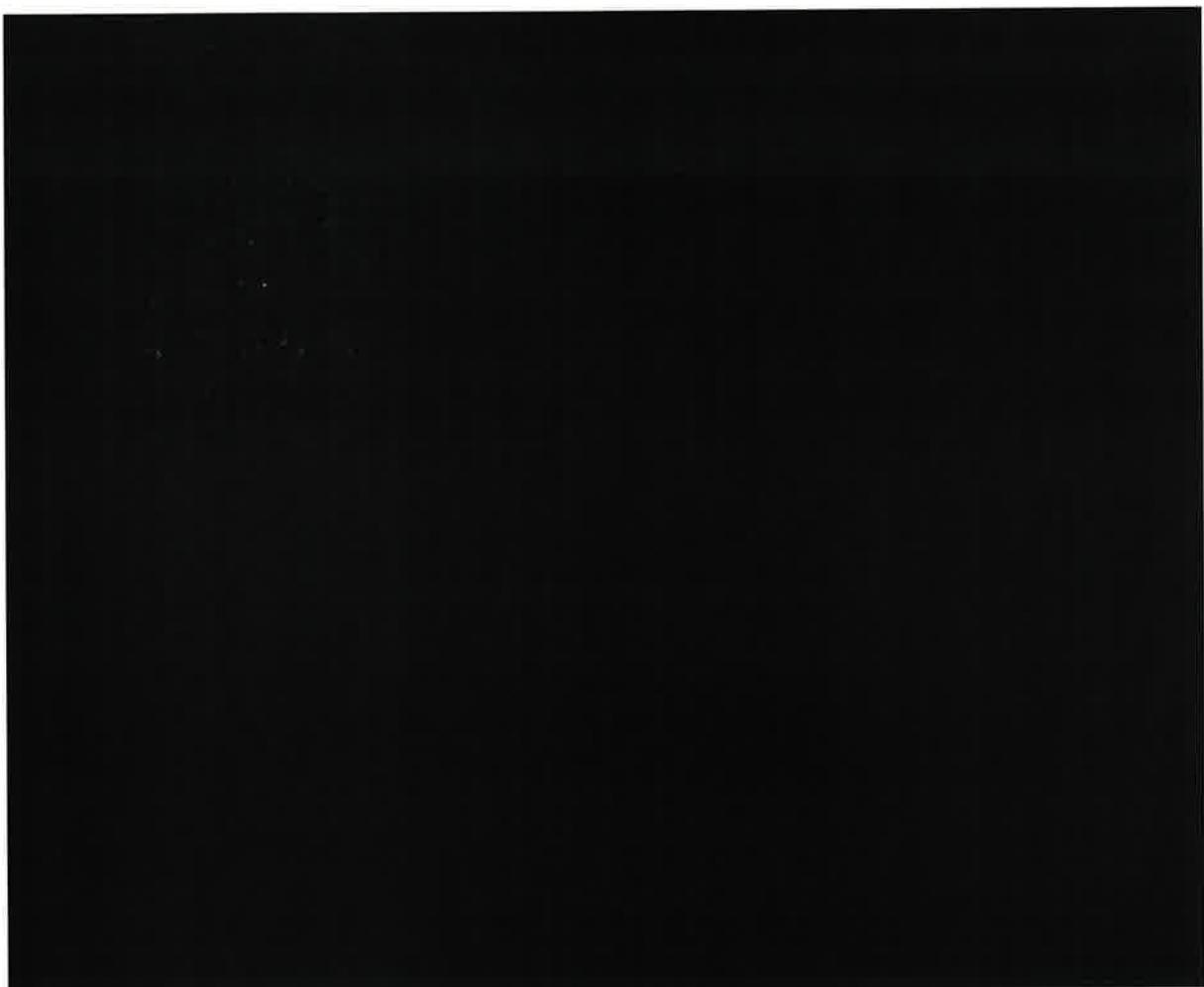


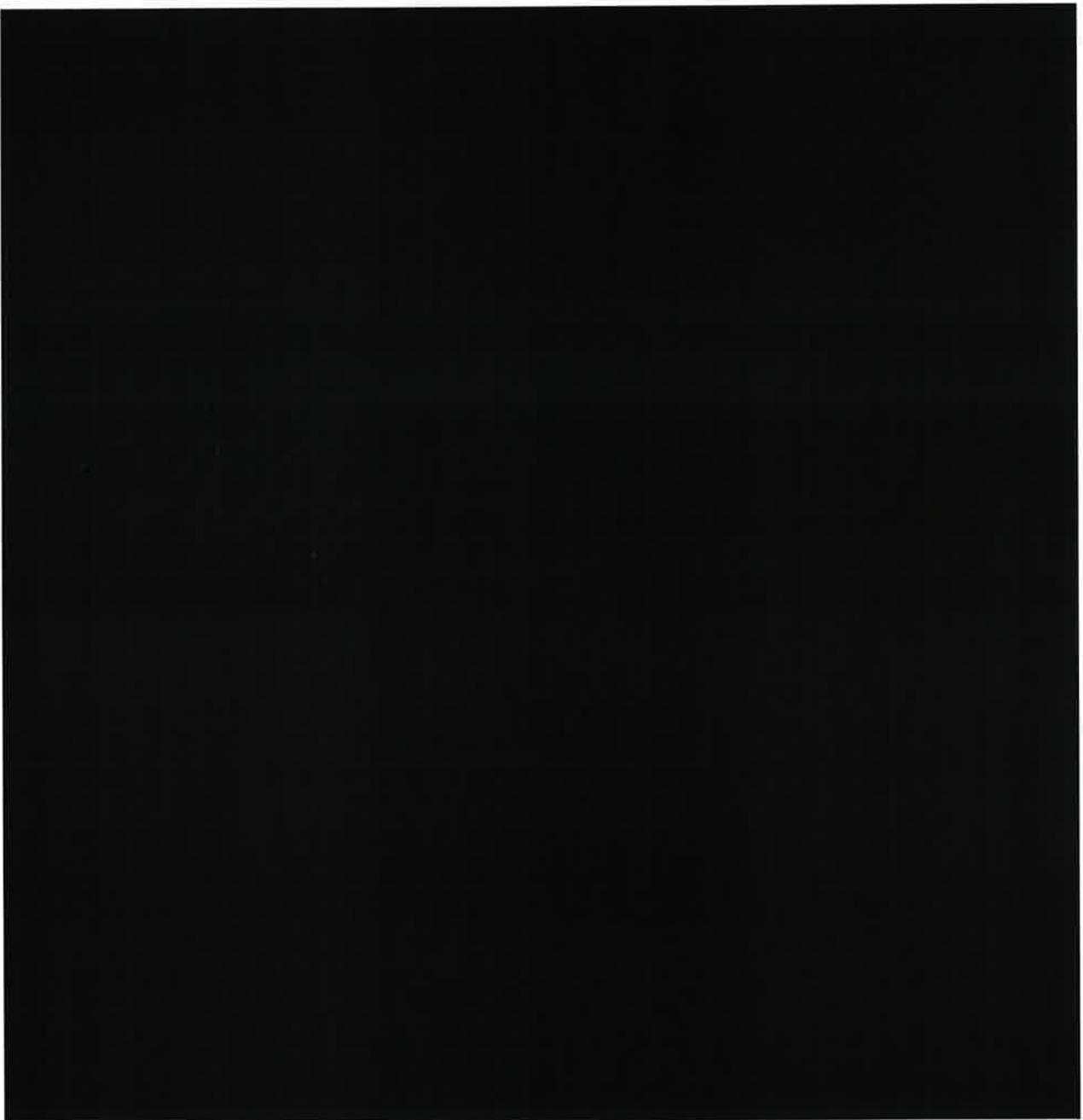
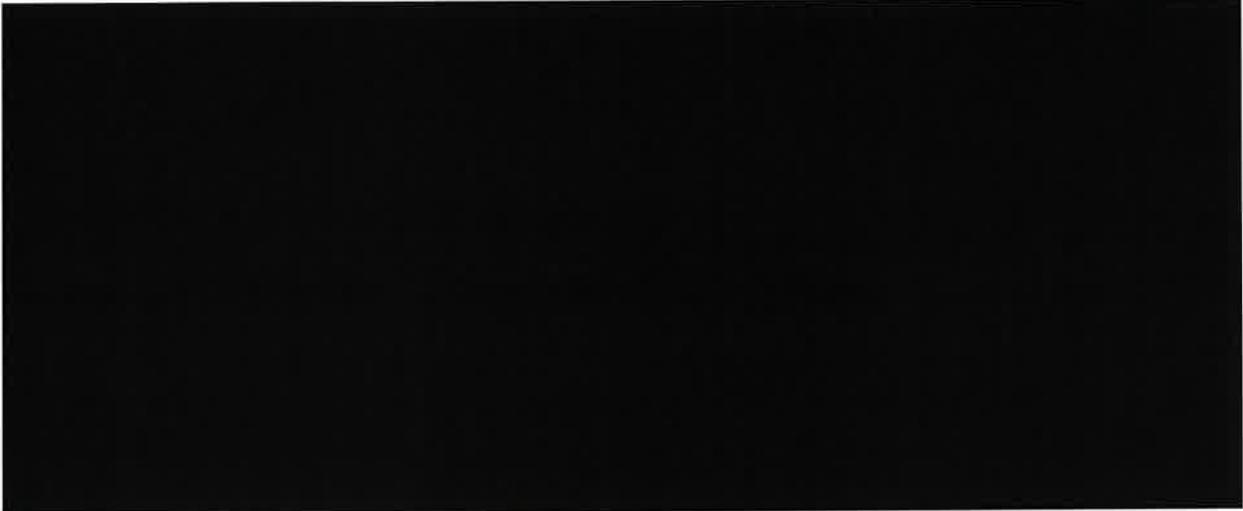


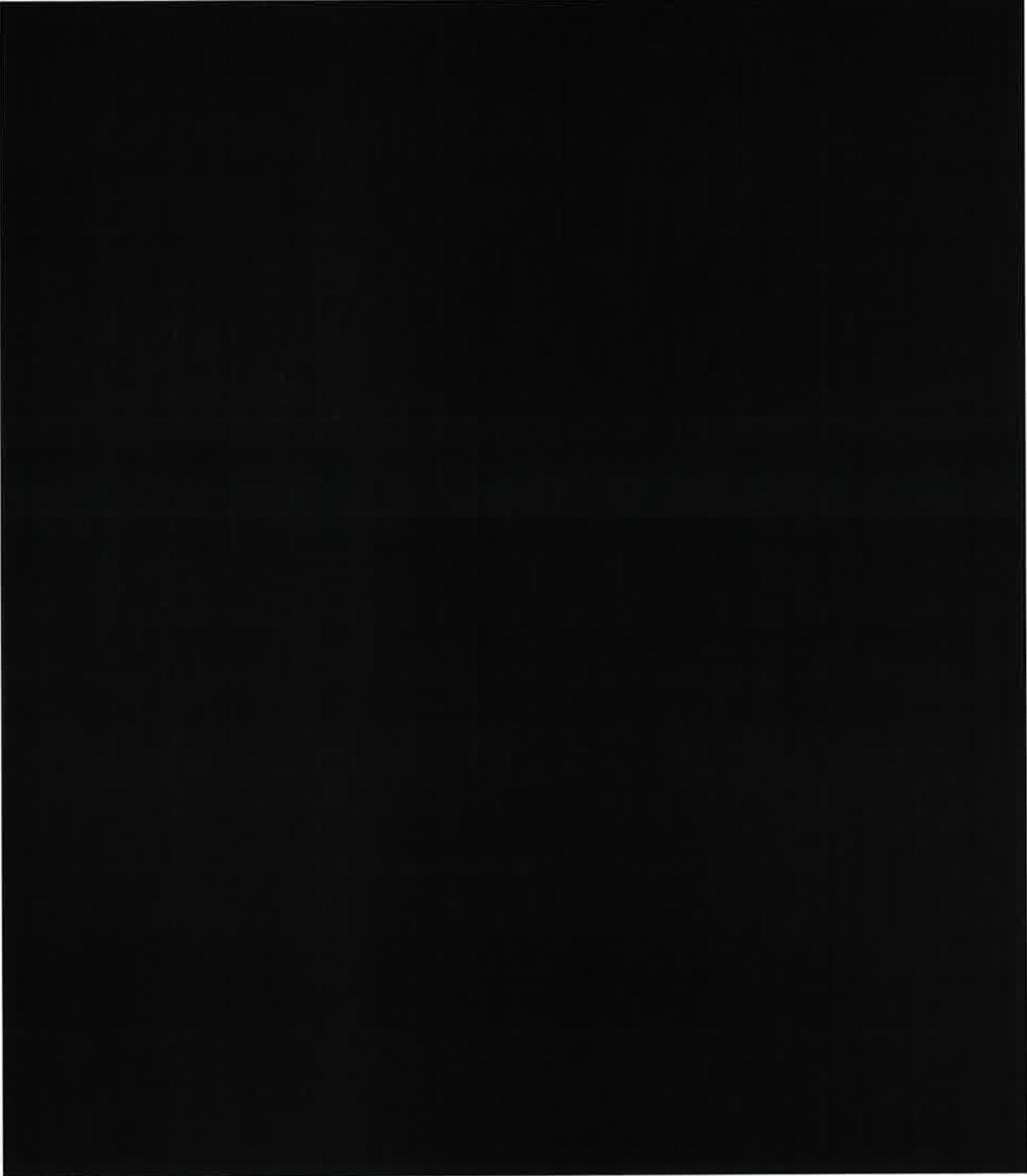
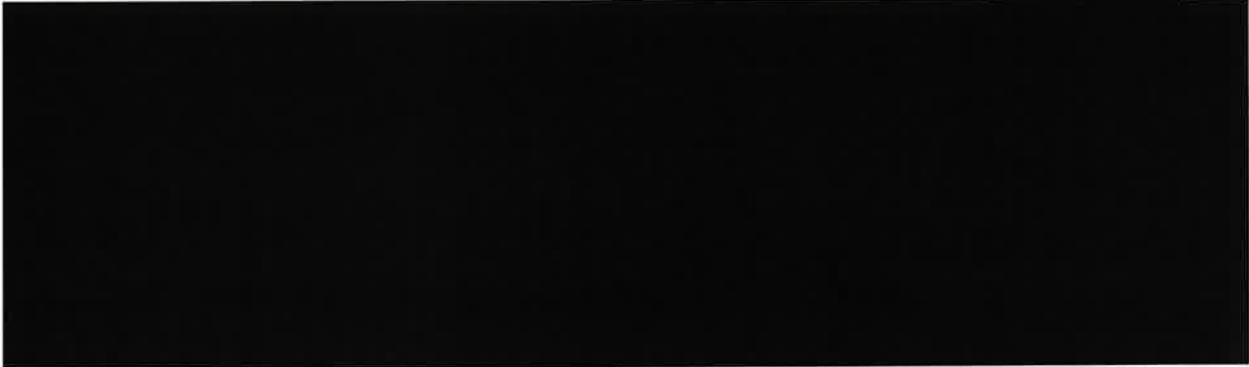


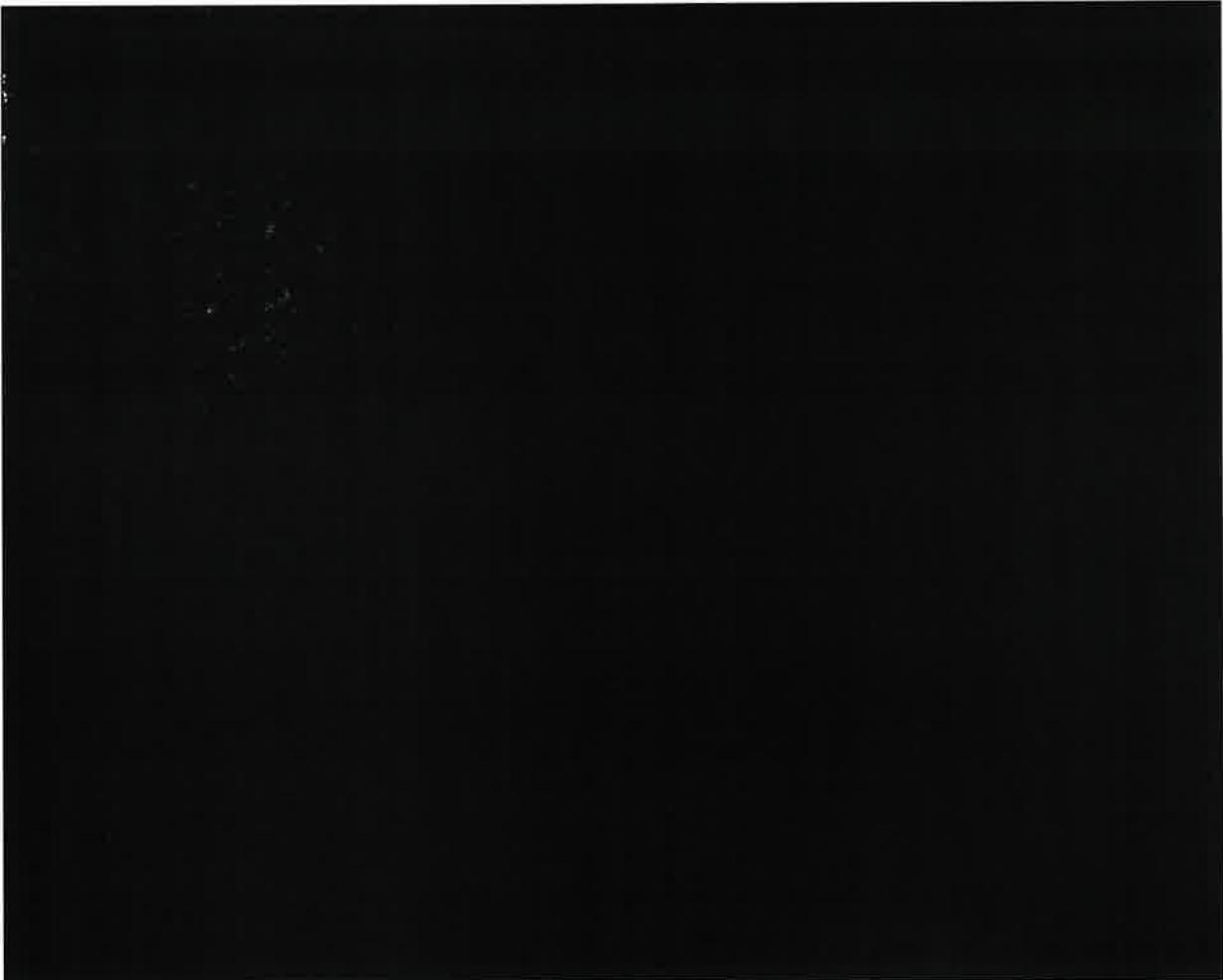




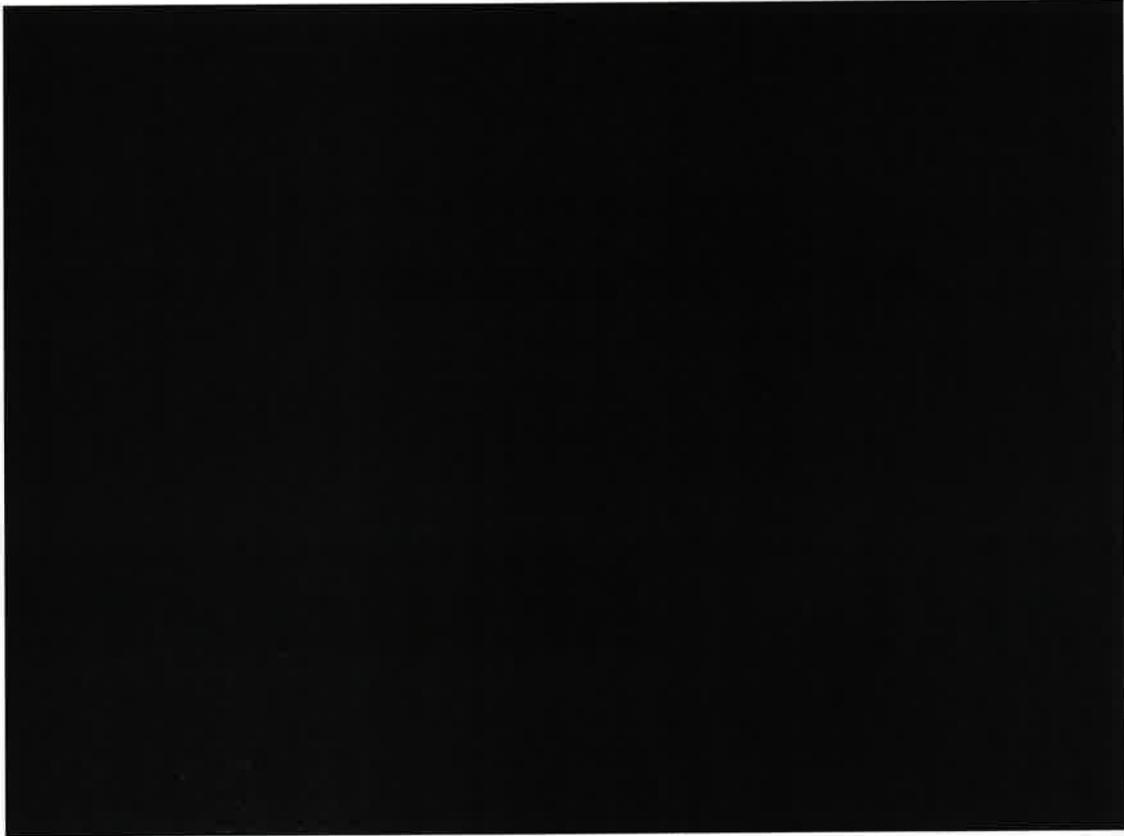




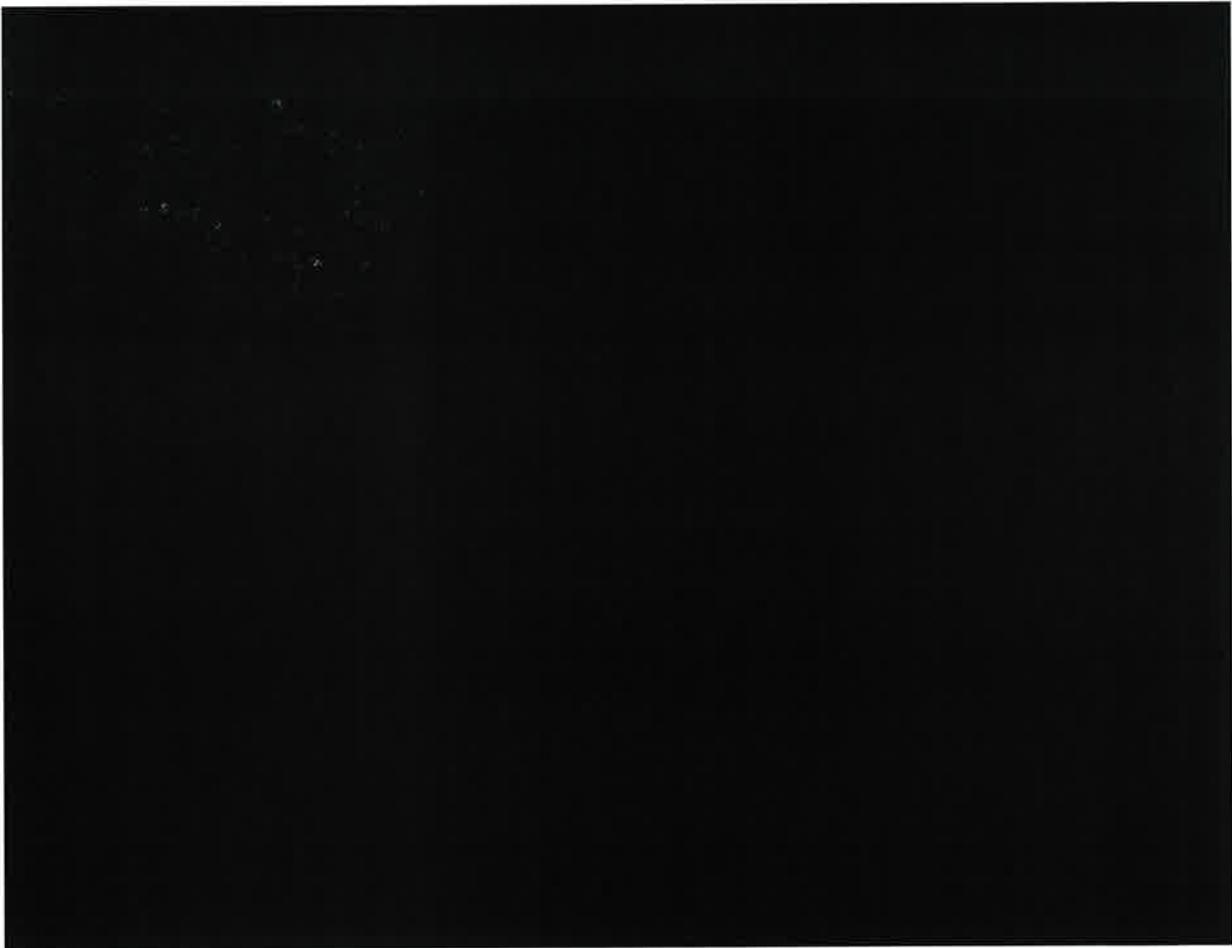
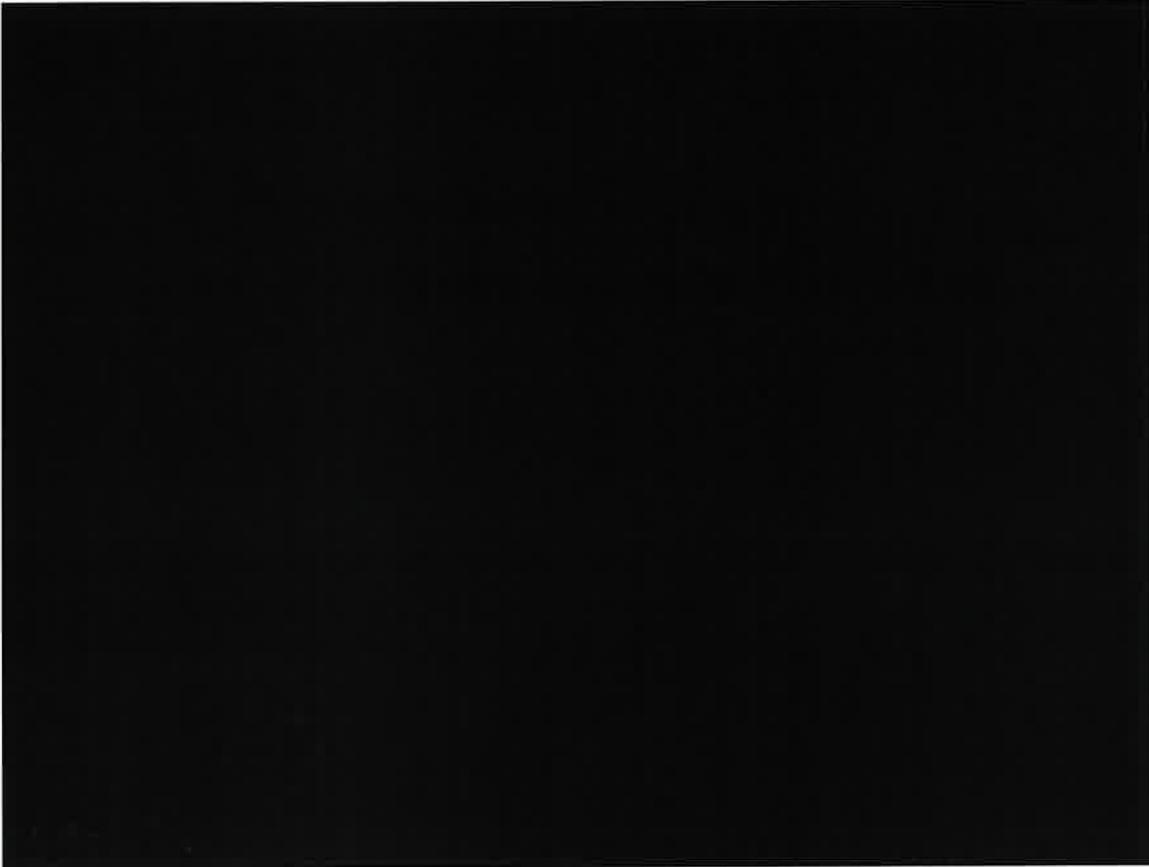


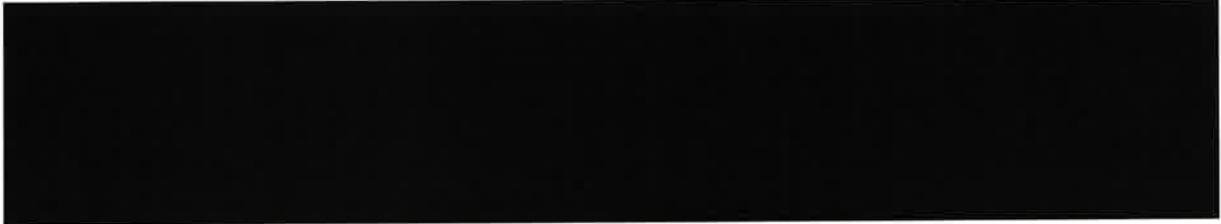


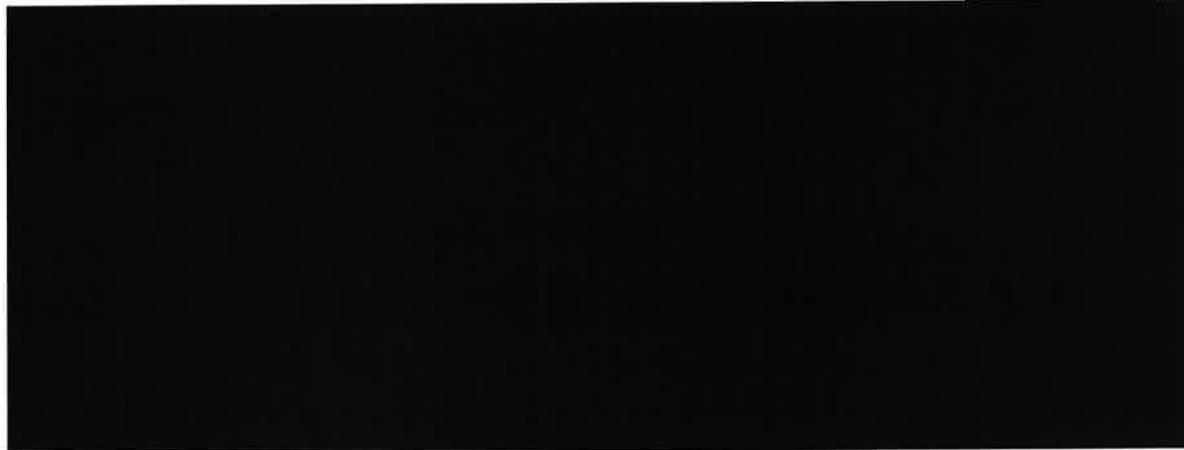






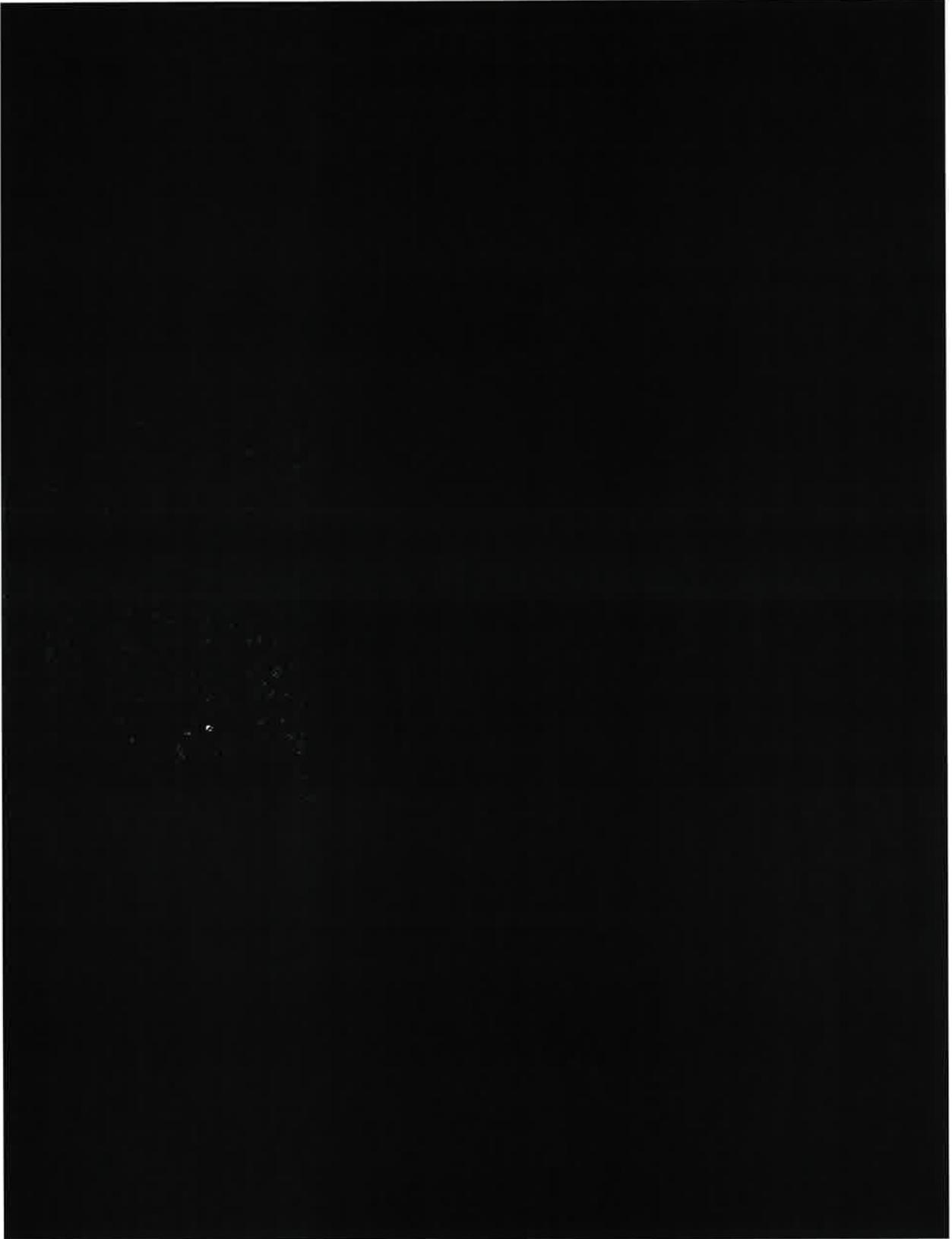
















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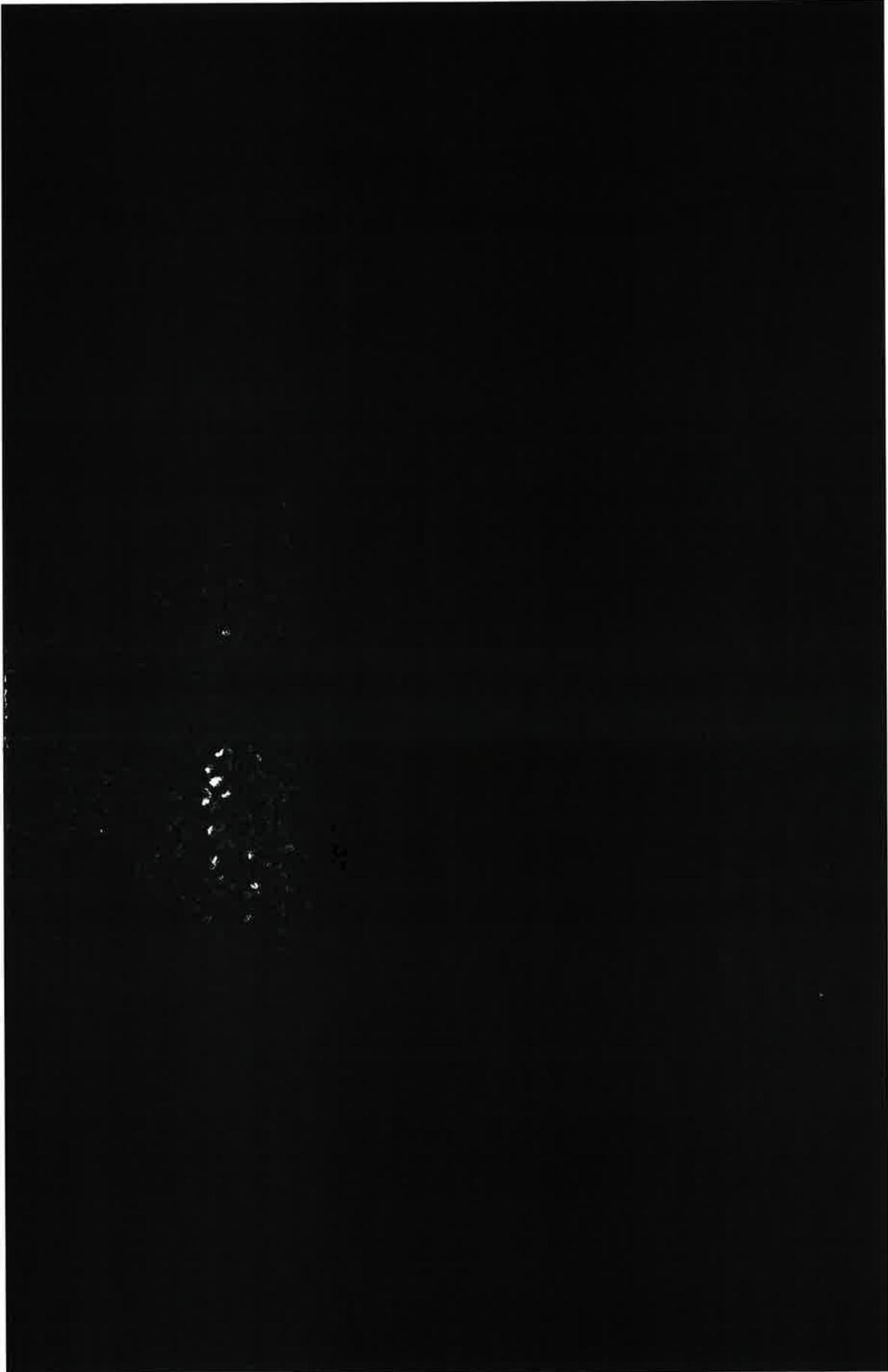
Other considerations

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Conclusions and suggestions

[Redacted text block]





Logg över händelser utifrån MAR/CMI perspektiv med anledning av UG1, EG-rapporten och BDO-rapporten

Nedan logg visar diskussioner som förts i samband med att Uppdrag Granskning sände sitt första avsnitt (UG1) om penningtvätt, och huruvida en insiderlista ska upprättas.

Nedan logg sammanställer även huvudsakligen delar hänförliga till utkast till rapporten "Draft Preliminary Status Report on AML" av den norske advokaten Erling Grimstad, i denna logg benämnd som EG-rapporten. Rapporten är ett utkast i vilket EG sammanfattar de findings han gjorde vid sin utredning av AML-hanteringen i bankens estniska dotterbolag, samt förslag på åtgärder. Enligt uppgift fick banken del av EG-rapporten den 10 december 2018.

Nedan logg behandlar även den s.k. BDO-rapporten, daterad den 20 september 2018.

Datum	Händelser relaterade till UG1	Dokument
2019-02-19	Diskussion förs över mail huruvida insiderlista ska öppnas med anledning av informationen att UG ska sända ett program om penningtvätt där Swedbank är med	 Mailväxling Öppning av lista 2019-02-19.doc
2019-02-19	Fortsatt diskussion om eventuell öppning av insiderlista bestående av en mindre grupp som enligt uppgift hade mer bakomliggande information om vad som skulle beröras i programmet. Information till Gregori i efterhand om hur diskussionerna gått 2019-02-20	 Fortsatt mailväxling om öppning av lista 2019-02-20.doc  Protokoll CMI 20190220 utan addenda.pdf  Addendum.pdf
2019-02-22	Mail skickas ut till GEC där man avråder från handel i Swedbanks finansiella instrument. Den 25/2 skickas mail igen till GEC där de uppmanas att vidarebefordra mailet till relevanta personer samt att dokumentera vilka det skickas till.	 Information om handel i Swedbanks fi...
2019-03-01	EdF mailar Ragnar Gustavii (RG) och tar upp frågan om ordförandeskapet i CMI, och intressekonflikter som uppstår.	 BILAGA LOGG Mail om CMI Chair 2019-03-01

Datum	Händelser relaterade till EG-rapporten och BDO-rapporten	Dokument
2019-03-26	Medlemmarna i CMI erhåller mail från Gabriel Francke Rodau med utkast av artikel från Uppdrag granskning (UG) innehållande påstådda citat från EG-rapporten. Eventuella kommentarer från banken skulle lämnas senast kl 13 till reportern.	
2019-03-26	Utkastet till artikel skickas samma dag av Nene Bjerström Galvan (NBG) till Gustav Skogö (GS) och Johan Josjö (JJ) på GDA för hjälp med bedömning av innehållet ur ett insiderperspektiv. Det konstateras att CMI inte fått del av själva EG-rapporten, vilket gjorde att det var svårt att göra en korrekt bedömning av insiderfrågan enbart utifrån innehållet i utkastet till artikel.	 CMI meeting minutes - artikel EG-rapp 2019
2019-03-26	SVT publicerade artikeln på eftermiddagen.	
2019-03-29	<p>Eva de Falck (EdF) får del av EG-rapporten i samband utskick till styrelsen med anledning av att styrelsen begärt att få ta del rapporten. Kl 21.30 diskuterar EdF rapporten vid telefonmöte med JS och GS). Diskussionen avsåg huvudsakligen frågan om EG-rapporten utgjorde insiderinformation eller inte. Det konstaterades att CMI inte känner till vilka överväganden, avseende insiderfrågan, som gjordes i december när banken (Compliance) fick del av rapportutkastet. Det föreligger risk att innehållet i utkastet borde ha bedömts utgöra insiderinformation när den kom. Det bör dock beaktas att det rör sig om ett utkast och inte en slutlig rapport. För det fall innehållet ska anses som insiderinformation bör det ha varit fallet även i december, varför det konstaterades vara för sent att nu göra en bedömning. Marknaden har dessutom nu fått del av vissa delar av rapporten.</p> <p>EdF har vid ett flertal telefonmöten med GDA diskuterat frågan hur banken bör behandla rapporten utifrån ett insider perspektiv (varav några samtal redogörs för i denna logg). I telefonsamtalen konstaterades bland annat att rapporten är ett utkast, att CMI inte känner till bankens/Compliance's inställning till rapportens innehåll (håller man med om vad som anges eller anser man att i vart fall delar inte är korrekta), samt att CMI inte känner till vilka åtgärder, om några, som vidtagits med anledning av rapportutkastet.</p>	
2019-03-31	Nene Bjerström Galvan (NBG) får del av rapporten. Konstateras att Gabriel Francke Rodau och Gregori Karamouzls, både ledamöter av CMI, inte har fått del av rapporten pga. beslut att begränsa spridningen. Konstateras vidare att Anders Karlsson har utsetts till tf VD och inte längre är CFO, vilket innebär att han inte längre ingår	

	i CMI (uppdraget var knutet till hans tjänst som CFO).	
2019-04-01	NBG återkoppling och avstämning med bl.a. GS. KI 22.00 - telefonmöte (EdF, NBG, Håkan Bengtsson(HB), Compliance, samt GDA – JJ, GS, Niclas Rockborn (NR), Daniel Waerme (DW)). Syfte att diskutera frågan och rådgöra med GDA hur informationen i EG-rapporten ska bedömas samt hur eventuellt offentliggörande eller uppskjutande ska bedömas och hanteras. HB redogjorde bl.a. för bakgrunden till rapporten. HB konstaterade att rapporten var i utkastform, tagits fram under mycket kort tid, samt att banken hade vissa synpunkter på den, vilka hade kommunicerats till EG.	
2019-04-02	EdF lyfter tre frågor med Anders Karlsson 1. Compliance kvartalsrapport från Q1 2016 delas med styrelsen 2. Hur ska EG rapporten hanteras ur ett insiderperspektiv 3. CMI fungerar inte i sin nuvarande form	 Mailväxling EdF och AK ang risker 2019-04
2019-04-02	GDA tar fram förslag till kommunikation/pressmeddelande runt rapportutkastet. Fortsatta diskussioner med GDA avseende informationens karaktär och om innehållet i rapporten ska anses vara insiderinformation. KI 23.00 - telefonmöte (EdF, NBG, JJ, GS, NR, DW) där utkast till kommunikation/pressmeddelande och rapportutkastet och dess innehåll diskuterades. Det konstaterades bland annat att huvudslutsatserna var publicerade genom artikel den 26 mars.	
2019-04-03	EdF mailar RG för att lyfta frågan om ev insiderhantering av EG-rapporten.	 Mail om ev Insiderhantering EG ra
2019-04-03	Fortsatta diskussioner avseende förslag till kommunikation/pressmeddelande och rapportutkastet och dess innehåll. KI 21.30 - telefonmöte (EdF, NBG, JJ, GS, NR, DW).	
2019-04-03	På kvällen den 3 april får EdF vetskap om en annan rapport – nedan kallad BDO-rapporten - genom telefonsamtal med Ingrid Harbo, CAE, (IH)). Denna rapport är daterad 20 september 2018 och är upprättad av bankens compliancefunktion. Rapporten har delgetts vd, CRO, Head of Baltic Banking, och Head of CEO Office (i egenskap av Specially Appointed Executive for AML of Swedbank AB). Påskrift på rapporten: " Internal Memo Confidential – not to be spread to anyone without the express consent of the CEO of Swedbank AB (publ). De "findings" som framgår av rapporten rapporterades aldrig vidare till bankens styrelse. Denna rapport hade med mycket hög sannolikhet bedömts vara	 180920 Exposure Final (2).docx

	insiderinformation om den bedömts rättidigt i september 2018.	
2019-04-04	<p>Kl 10.30 får Anders Karlsson och Ulrika Francke vetskap om innehållet i BDO-rapporten. Hanteringen av rapporten ur insiderperspektiv diskuterades mellan IH, EdF, Anders Karlsson (vd) och Ulrika Francke (vice ordförande i styrelsen).</p> <p>Kl 15.30 diskuteras insideraspekten med JJ och GS, GDA, vid ett telefonmöte. Det överenskomms på detta möte att även försöka täcka in innehållet i BDO-rapporten i det tänkta pressmeddelandet.</p> <p>Kl 23.00 diskuteras problematiken med de båda rapporterna på ett nytt telefonmöte (EdF, JJ, GS, samt Clifford Chance – Daniel Silver m.fl.). Riskerna med att öppna insiderlista så långt i efterhand samt ta beslut att offentliggöra eller skjuta upp offentliggörandet, diskuterades ånyo. Det tänkta pressmeddelandet, som var tänkt att mitigera riskerna med att ingen av rapporterna hade kunnat hanteras enligt ordinarie process för insiderhantering, diskuterades också. GDA åtog sig att ta fram ett utkast till sådant pressmeddelande, samt stämma av detta med Clifford Chance.</p>	 DOK-#3345494-v4-Everest - Memo consequ  Mailväxling ang Proposed Media state  190403-PM om rapporten (v3).docx  Mailväxling Everest - MAR konsekvenser.do
2019-04-05	På ovan telefonmöten diskuterades om innehållet i rapporten ska ses som insiderinformation. Diskuterades vidare att ta fram pressmeddelande och redogöra för/kommentera uppgifterna i rapporten samt offentliggöra uppgifter som inte framgick av artikeln den 26 mars. Informationen i pressmeddelandet syftade bland annat till att mitigera vissa framtida risker för bankens del samt risken med att varken EG-rapporten eller BDO-rapporten hade kunnat bedömas utifrån MAR/insider perspektiv i rätt tid. Det utkast som togs fram förankrades genom GDAs försorg med Clifford Chance.	 0405 - Angående medieuppgifter om Ide  Mailväxling om PRM ang medieuppgifter or
2019-04-10--11	Pressmeddelande och kommunikationsplan upprättas under 10:e och 11:e april i olika versioner för offentliggörande av organisationsförändring och förändringar i bankens ledning och för att mitigera MAR-relaterade risker	 190410-Communication plan (v3).docx  190410-Communication plan (v5).docx  190410-Communication plan (v7).docx  190411-Communication plan (v10).docx

2019-04-11	Vid möte kl 18.30 den 11 april hos AK (tillsammans med Kreab, GFR, GK och Åsa A) överenskoms att avvakta med pressmedd till Q1 rapporten, 24/4.	
2019-04-23	EdF skickar synpunkter på kommunikationsplan och VD-ord till GFR	 Communication plan (v18).docx m u EdF.doc  CEO statement Q1 2019_ver 11.docx mu
2019-04-25	Pressmeddelande går ut kl 07.00 om organisationsförändring och förändringar i Swedbanks ledning	 Communication plan (v23).docx

-----Original Message-----

From: Cecilia Hernqvist
Sent: den 19 februari 2019 18:24
To: Eva De Falck
Cc: Gabriel Francke Rodau; Nene Bjerström Galvan
Subject: Re: RE: RE:

Det är det som är bedömningen det Nene ska skriva, eller talar vi om varandra Eva?

Ringer dig imorgon om detta

Skickat från min iPhone

> 19 feb. 2019 kl. 14:17 skrev Eva De Falck <eva.de-falck@swedbank.com>:

>

> Ok, jag uppfattade att du ändå ville ha en bedömning av om detta är insiderinfo (jag vet ju inte lika mycket som du och Gabriel).

> Men då dokumenterar vi internt att vi inte öppnar lista på de grunder du nämnde för Nene och nöjer oss så då.

>

> Ha det bra i Oslo!

> Mvh

> Eva

>

> -----Original Message-----

> From: Cecilia Hernqvist
> Sent: den 19 februari 2019 13:53
> To: Eva De Falck
> Cc: Gabriel Francke Rodau
> Subject: Re: RE:

>

> Det viktiga är att det inte är insider, enligt min bästa bedömning och vi har dessutom diskuterat denna fråga tidigare Eva.

>

> Hur som jag har talat m Nene, han kommer dokumentera det o det var det jag var ute efter för bankens skull!

>

> Trevlig em hälsas från Oslo

>

> Skickat från min iPhone

>

>> 19 feb. 2019 kl. 10:34 skrev Eva De Falck <eva.de-falck@swedbank.com>:

>>

>> Listan omfattar ju enbart "interna", men det rör sig alltså om så pass många?

>> I så fall kan jag tycka att det är meningslösa att ta upp det för beslut - eller vill ni ändå att vi protokollför detta?

>>

>> Mvh

>> Eva

>>

>> -----Original Message-----

>> From: Gabriel Francke Rodau

>> Sent: den 19 februari 2019 10:30

>> To: Eva De Falck

>> Cc: Cecilia Hernqvist

>> Subject: RE:

>>

>> Okej, be Nene kontakta mig.

>>

>> Vi kan omöjligt upprätta en lista. Vi vet inte vilka som vet helt enkelt. Utanför vår kontroll.

>>

>> Gabriel Francke Rodau

>> Head of Group Communication

>> Group Communication

>> CEO Office

>>

>> Swedbank AB (publ)

>> SE- 105 34 STOCKHOLM

>> Dir: +46(0)8 58 59 21 07

>> Mob: +46(0)70 144 89 66

>>

>>

>> -----Original Message-----

>> From: Eva De Falck

>> Sent: den 19 februari 2019 10:24

>> To: Gabriel Francke Rodau

>> Cc: Cecilia Hernqvist

>> Subject: RE:

>>

>> Men det sänds=blir offentligt imorgon, eller hur?

>> Det blir i s f bara fram till kl 18 (Börsens stängning) imorgon som listan är öppen. Och vi måste då snabbt notifiera dem som finns på listan.

>> Möjligen kan vi fatta ett beslut om att det inte går att öppna lista, eftersom det är för många/okänt antal internt som känner till det (det är ju dessa som måste informeras om att de inte får handla i våra instrument).

>>

>> Dessutom har vi ju informerat FI, eller hur, så vi behöver inte öppna lista för deras skull s a s.

>>

>> Eftersom jag sitter i styrelsemöte hela dagen, så kan jag be Nene kontakta dig och Gregori och bilda sig en uppfattning och i s f förbereda protokoll och notifiering till dem som ska registreras på listan, Men då måste någon förse oss med de namn som ska upp på listan.

>>

>> Vad säger ni?

>>

>> Mvh

>> Eva

>> -----Original Message-----

>> From: Gabriel Francke Rodau
>> Sent: den 19 februari 2019 10:16
>> To: Eva De Falck
>> Subject: RE:

>>

>> Förstår.

>>

>> Problemet är följande:

>>

>> - aktien kan eventuellt gå ner till följd av programmet, men det vet vi egentligen inte givet att vi inte vet hur det kommer se ut

>> - är smått omöjligt att sätta upp insider-listan eftersom antalet människor som känner till är minst 100 personer vid det här laget och utanför vår kontroll

>>

>> Så om protokoll snarare symboliskt för att visa att vi tagit ett beslut.

>>

>> Gabriel Francke Rodau
>> Head of Group Communication
>> Group Communication
>> CEO Office

>>

>> Swedbank AB (publ)
>> SE- 105 34 STOCKHOLM
>> Dir: +46(0)8 58 59 21 07
>> Mob: +46(0)70 144 89 66

>>

>>

>> -----Original Message-----

>> From: Eva De Falck
>> Sent: den 19 februari 2019 10:14
>> To: Gabriel Francke Rodau
>> Subject: RE:

>>

>> Styrelsemöte fram till kl 15 (minst).

>> Maila gärna - styrelseutbildning nu, så jag kan kolla mail!

>>

>> -----Original Message-----

>> From: Gabriel Francke Rodau
>> Sent: den 19 februari 2019 10:12
>> To: Eva De Falck; Cecilia Hernqvist
>> Subject: RE:

>>

>> Jag ringer dig Eva.

>>

>> Gabriel Francke Rodau
>> Head of Group Communication
>> Group Communication

>> CEO Office

>>

>> Swedbank AB (publ)

>> SE- 105 34 STOCKHOLM

>> Dir: +46(0)8 58 59 21 07

>> Mob: +46(0)70 144 89 66

>>

>>

>> -----Original Message-----

>> From: Eva De Falck

>> Sent: den 19 februari 2019 10:10

>> To: Gabriel Francke Rodau; Cecilia Hernqvist

>> Subject: RE:

>>

>> Hej,

>>

>> Beror ju lite på vad som framgår - och hur det tas emot. Det är väl nästan upp till Gregori och er att avgöra, som har större insyn, men vi kan absolut titta på det.

>> Sänds imorgon, eller, så blir ju en kort lista i s f.

>> Vilka ska i s f vara med på listan? (Förutom vi, Birgitte, Gregori)

>>

>> Mvh

>> Eva

>>

>> -----Original Message-----

>> From: Gabriel Francke Rodau

>> Sent: den 19 februari 2019 09:37

>> To: Cecilia Hernqvist; Eva De Falck

>> Subject: RE:

>>

>> Gregori hade samma tanke igår efter ägarmötet, men jag tycker svårbedömt. Eva, vad säger du?

>>

>> Gabriel Francke Rodau

>> Head of Group Communication

>> Group Communication

>> CEO Office

>>

>> Swedbank AB (publ)

>> SE- 105 34 STOCKHOLM

>> Dir: +46(0)8 58 59 21 07

>> Mob: +46(0)70 144 89 66

>>

>> -----Original Message-----

>> From: Cecilia Hernqvist

>> Sent: den 19 februari 2019 09:25

>> To: Eva De Falck; Gabriel Francke Rodau

>> Subject:

>>

>> Har ni funderat på om UG kan vara Insider info? Tror inte det men ni kanske behöver göra en bedömning o skriva ett protokoll?

>>

>> Skickat från min iPhone

Eva De Falck

From: Eva De Falck
Sent: den 20 februari 2019 21:15
To: Gregori Karamouzis
Subject: FW: RE:

Hej Gregori,

Här ser du hela slingan. I första mailet ber jag Nene att även kontakta dig - sedan försiggick tydligen konversationen enbart mellan Cecilia, Gabriel och Nene. Jag skriver också att jag sitter i styrelsemöte och inte kan tala i telefon själv.

I slingan framgår också att jag delade uppfattningen att vi skulle öppna lista avseende dem som hade den bakomliggande informationen. Vi hade t o m listan klar för utskick, men stoppade den för att Cecilia tyckte det var fel. Nedan ser du att Cecilia inte tyckte det var en bra idé att öppna lista avseende dem som hade bakomliggande info. Cecilia ringde sedan Nene och Nene skickade mig ett sms efter samtalet, som jag har vidarebefordrat till dig som sms. I detta framgår varför Cecilia inte tyckte att lista skulle öppnas.

Eftersom varken jag eller Nene visste vilken den bakomliggande informationen var, förlitade vi oss på Cecilia (eftersom hon visste vilken information det rörde sig om).

Vad gäller protokollet har Nene skickat det till Cecilia för synpunkter.

Du får det så snart jag får tillbaks det.

Mvh
Eva

-----Original Message-----

From: Cecilia Hernqvist
Sent: den 19 februari 2019 12:41
To: Eva De Falck
Cc: Gabriel Francke Rodau; Nene Bjerström Galvan
Subject: Re: RE:

Nej det känns inte bra, ringer er sen

Skickat från min iPhone

> 19 feb. 2019 kl. 12:31 skrev Eva De Falck <eva.de-falck@swedbank.com>:

>

> Låter bra!

>

> Mvh

> Eva

>

> -----Original Message-----

> **From:** Gabriel Francke Rodau

> **Sent:** den 19 februari 2019 12:28

> **To:** Eva De Falck; Cecilia Hernqvist

> **Cc:** Nene Bjerström Galvan

> **Subject:** RE:

>

> Jag har pratat med Nene och vi hittat en bra lösning. Vi öppnar en lista, MEN har bara med personer som de facto sett den bakomliggande informationen/fakta som vi fått från Uppdrag Granskning.

>

> På den listan är det i så fall bara följande som ska vara med (någon mer??):

>

> - Birgitte B

> - Ragnar g

> - Charlotte E

> - Cecilia H

> - Josefine U

> - Johan L

> - Gabriel FR

>

> För det är ju den informationen, snarare än det faktum att Uppdrag granskning kommer handla om penningtvätt/Swedbank som kan vara kurspåverkande.

>

> Gabriel

>

>

> Gabriel Francke Rodau

> Head of Group Communication

> Group Communication

> CEO Office

>

> Swedbank AB (publ)

> SE- 105 34 STOCKHOLM

> Dir: +46(0)8 58 59 21 07

> Mob: +46(0)70 144 89 66

>

>

> -----Original Message-----

> From: Eva De Falck

> Sent: den 19 februari 2019 10:40

> To: Gabriel Francke Rodau

> Cc: Cecilia Hernqvist

> Subject: RE:

>

> Har messat Nene (som är på sportlov) och ber honom kontakta dig, Gabriel.

> Mvh

> Eva

>

> -----Original Message-----

> From: Gabriel Francke Rodau

> Sent: den 19 februari 2019 10:39

> To: Eva De Falck

> Cc: Cecilia Hernqvist

> Subject: RE:

>

> Vi håller bla på att skicka ut info till alla chefer inom SBV och kommer imorgon (innan programmet sänds) ta upp ämnet på Banknytt.

>

> För min del inte nödvändigt protokollföra, men jag är inte jurist :-)

>

>

>

> Gabriel Francke Rodau

> Head of Group Communication
> Group Communication
> CEO Office
>
> Swedbank AB (publ)
> SE- 105 34 STOCKHOLM
> Dir: +46(0)8 58 59 21 07
> Mob: +46(0)70 144 89 66
>
>
> -----Original Message-----
> From: Eva De Falck
> Sent: den 19 februari 2019 10:34
> To: Gabriel Francke Rodau
> Cc: Cecilia Hernqvist
> Subject: RE:
>
> Listan omfattar ju enbart "interna", men det rör sig alltså om så pass många?
> I så fall kan jag tycka att det är meningslösa att ta upp det för beslut - eller vill ni ändå att vi protokollför detta?
>
> Mvh
> Eva
>
> -----Original Message-----
> From: Gabriel Francke Rodau
> Sent: den 19 februari 2019 10:30
> To: Eva De Falck
> Cc: Cecilia Hernqvist
> Subject: RE:
>
> Okej, be Nene kontakta mig.
>
> Vi kan omöjligt upprätta en lista. Vi vet inte vilka som vet helt enkelt. Utanför vår kontroll.
>
> Gabriel Francke Rodau
> Head of Group Communication
> Group Communication
> CEO Office
>
> Swedbank AB (publ)
> SE- 105 34 STOCKHOLM
> Dir: +46(0)8 58 59 21 07
> Mob: +46(0)70 144 89 66
>
>
> -----Original Message-----
> From: Eva De Falck
> Sent: den 19 februari 2019 10:24
> To: Gabriel Francke Rodau
> Cc: Cecilia Hernqvist
> Subject: RE:
>
> Men det sänds=blir offentligt imorgon, eller hur?
> Det blir i s f bara fram till kl 18 (Börsens stängning) imorgon som listan är öppen. Och vi måste då snabbt notifiera dem som finns på listan.

> Möjligen kan vi fatta ett beslut om att det inte går att öppna lista, eftersom det är för många/okänt antal internt som känner till det (det är ju dessa som måste informeras om att de inte får handla i våra instrument).

>

> Dessutom har vi ju informerat FI, eller hur, så vi behöver inte öppna lista för deras skull s a s.

>

> Eftersom jag sitter i styrelsemöte hela dagen, så kan jag be Nene kontakta dig och Gregori och bilda sig en uppfattning och i s f förbereda protokoll och notifiering till dem som ska registreras på listan, Men då måste någon förse oss med de namn som ska upp på listan.

>

> Vad säger ni?

>

> Mvh

> Eva

> -----Original Message-----

> From: Gabriel Francke Rodau

> Sent: den 19 februari 2019 10:16

> To: Eva De Falck

> Subject: RE:

>

> Förstår.

>

> Problemet är följande:

>

> - aktien kan eventuellt gå ner till följd av programmet, men det vet vi egentligen inte givet att vi inte vet hur det kommer se ut

> - är smått omöjligt att sätta upp insider-listan eftersom antalet människor som känner till är minst 100 personer vid det här laget och utanför vår kontroll

>

> Så om protokoll snarare symboliskt för att visa att vi tagit ett beslut.

>

> Gabriel Francke Rodau

> Head of Group Communication

> Group Communication

> CEO Office

>

> Swedbank AB (publ)

> SE- 105 34 STOCKHOLM

> Dir: +46(0)8 58 59 21 07

> Mob: +46(0)70 144 89 66

>

>

> -----Original Message-----

> From: Eva De Falck

> Sent: den 19 februari 2019 10:14

> To: Gabriel Francke Rodau

> Subject: RE:

>

> Styrelsemöte fram till kl 15 (minst).

> Maila gärna - styrelseutbildning nu, så jag kan kolla mail

>

> -----Original Message-----

> From: Gabriel Francke Rodau

> Sent: den 19 februari 2019 10:12

> To: Eva De Falck; Cecilia Hernqvist

> Subject: RE:

>

> Jag ringer dig Eva.

>

> Gabriel Francke Rodau

> Head of Group Communication

> Group Communication

> CEO Office

>

> Swedbank AB (publ)

> SE- 105 34 STOCKHOLM

> Dir: +46(0)8 58 59 21 07

> Mob: +46(0)70 144 89 66

>

>

> -----Original Message-----

> From: Eva De Falck

> Sent: den 19 februari 2019 10:10

> To: Gabriel Francke Rodau; Cecilia Hernqvist

> Subject: RE:

>

> Hej,

>

> Beror ju lite på vad som framgår - och hur det tas emot. Det är väl nästan upp till Gregori och er att avgöra, som har större insyn, men vi kan absolut titta på det.

> Sänds imorgon, eller, så blir ju en kort lista i s f.

> Vilka ska i s f vara med på listan? (Förutom vi, Birgitte, Gregori)

>

> Mvh

> Eva

>

> -----Original Message-----

> From: Gabriel Francke Rodau

> Sent: den 19 februari 2019 09:37

> To: Cecilia Hernqvist; Eva De Falck

> Subject: RE:

>

> Gregori hade samma tanke igår efter ägarmötet, men jag tycker svårbedömt. Eva, vad säger du?

>

> Gabriel Francke Rodau

> Head of Group Communication

> Group Communication

> CEO Office

>

> Swedbank AB (publ)

> SE- 105 34 STOCKHOLM

> Dir: +46(0)8 58 59 21 07

> Mob: +46(0)70 144 89 66

>

> -----Original Message-----

> From: Cecilia Hernqvist

> Sent: den 19 februari 2019 09:25

> To: Eva De Falck; Gabriel Francke Rodau

> Subject:

>

> Har ni funderat på om UG kan vara insider info? Tror inte det men ni kanske behöver göra en bedömning o skriva ett protokoll?

>

> Skickat från min iPhone



Minutes Per Capsulam

Author Nene Bjerström Galvan	Date and Time 2019-02-20, 08:00	Page
Specification Council on Managing of Inside Information	Security Confidential	
Present Eva de Falck (Chair), Gabriel Francke Rodau		
Absent Anders Karlsson, Gregori Karamouzls		
Attending		

Meeting papers that has been circulated to the members prior to the meeting are incorporated by reference and referred to as the "Papers" at each relevant item below. Any additional documentation circulated or presented at the meeting is referred to as an appendix at each item below and incorporated by reference.

§ 1 Opening of meeting

The Chair opened the meeting.

§ 2 Approval of previous minutes

N/A.

§ 3 Information regarding Swedbank Estonia's work to prevent money laundry etc.

The Swedish television program Uppdrag Granskning ("UG") is investigating how Swedbank Estonia has been working to prevent money laundering and if the Estonian branch has been used for money laundering. The program will be aired in Swedish television on 20 th February at 8 pm. In connection with the investigation the bank has received certain information from UG.

The question has been raised if information received from UG or the fact that UG is investigating Swedbank's Estonian operations from a money laundering perspective as such, should be considered as inside information.

According to the CMI the information is too brief and limited for the CMI to be able to make a proper assessment.

Due to above the CMI's assessment at this stage, after consulting Swedbank's Chief Compliance Officer, is that information received from UG and the fact that UG is investigating Swedbank's Estonian branch from a money laundering perspective is not likely to have a significant effect on the price of Swedbank's shares and therefore not deemed to be insider information.

At the minutes:


Nene Bjerström Galvan

Checked by:


Eva De Falck



Addendum

2019-02-21

Addendum to Minutes 2019-02-20 "Information regarding Swedbank Estonia's work to prevent money laundry etc."

Swedbank has received information from UG in accordance with the following timeline:

- 11 February, 12:00; Swedbank is contacted by Axel Gordh Humlesjö at UG, who asks for an interview with Birgitte Bonnesen.
- 13 February, 14:30; Axel Gordh Humlesjö e-mails the bank's communication department with certain limited information prior to the interview with Gabriel Francke Rodau on 15 February, as per Appendix 1.
- 15 February, 10:00; UG interviews Gabriel Francke Rodau.
- 18 February, 07:00; Axel Gordh Humlesjö e-mails information that another TV show by UG will be aired with focus on Swedbank, Appendix 2.

It is noted that the CMI did not have access to above and attached information until 21 February.

It is further noted that the information provided to the bank by UG is brief, limited and imprecise. Details such as customer names and time data are missing. UG has refused to provide any additional information, although the bank has requested it. The customers referred to in UG's e-mail of 13 February are unnamed. It is unknown what the amount of SEK 40bn relates to and to which period. The four customers named in UG's e-mail of 18 February have been subject to internal searches but all but one needs further searches to get a better understanding. A disclosure of the imprecise information received from UG would not make any sense and help the market.

W

Appendix 1

Mejl 13 februari

"UPPDRAG GRANSKNING, SVT 1 - 20/2 2019

Blrgitte Bonnesen, och Swedbank, har vid många tillfällen, och på olika sätt under det senaste halvåret förklarat att Swedbank inte har haft samma problem som Danske Bank i Baltikum, avseende misstänkt penningtvätt.

Sverige Television har, som part i ett internationellt samarbete, tagit del av transaktionsdata gällande flera svenska storbanker, däribland Swedbank.

Uppdrag granskning har kartlagt delar av transaktionsunderlaget och kommer till följande slutsatser:

- 1) Swedbank har, likt Danske Bank, haft en stor non-resident-portfölj (och även en HRNR-grupp).
- 2) Många dessa kontohavare (NR) saknar synlig affärsverksamhet.
- 3) Många av Swedbanks kontohavare (NR), eller deras motparter, är skrivna på adresser som förekommer i rapporter kring korruption och penningtvätt. Över 1200 kontohavare (i Swedbank eller motparter i annan bank) delar adress med andra bolag.
- 4) Ett flertal kontohavare i Swedbank, eller deras motparter i annan bank, finns omnämnda i tidigare penningtvättshärvor.
- 5) Av de specialstuderade kontohavare (NR)/motparter ser vi tecken på falska årsredovisningar, samt transaktioner till vilande bolag.
- 6) Flera av de mest väldokumenterade målvakterna finns i bolag som har konto i Swedbank/Swedbanks motparter.
- 7) Pengar från den sk. "Magnitsky-affären", det väldokumenterade skattebedrägeriet i Ryssland, slussas in i Swedbank.
- 8) UG har granskat de 50 kontohavare i Swedbank som drar på sig flest varningsflaggor för misstänkt penningtvätt. Dessa 50 misstänkta konton omsätter motsvarande 40 miljarder SEK.

Sveriges Television, Uppdrag granskning, vill intervjua VD Blrgitte Bonnesen om slutsatserna i vår kartläggning. Senaste fredag eftermiddag (15/2) kommer vi till Swedbank för att genomföra intervjun."



Appendix 2

Mejl 18 februari

"Här kommer information om nästa del av granskningen i vår serie om penningtvätt i Baltikum. Detta program sänds den 27 februari 2019 och ytterligare delar av granskningen kommer också publiceras på svt.se

Vi är medvetna om att banksekretessen gör det svårt för er att kommentera alla detaljer i enskilda fall men det är viktigt att ni får ta del av den information som är relevant för ert gensvar.

Bakgrund:

Uppdrag granskning har, som vi förklarat tidigare, utgått från samma metoder som den danska advokatfirman rörande Danske Bank, men istället tittat på Swedbanks kunder. När vi letar efter högriskkunder hittar vi bolag som har bas i kända offshore jurisdiktioner, och sammanräknat uppgår era non-residentkunder till över 1000 (fram till 2016 då Danske Bank stänger sin NR-portfölj).

Med utgångspunkt från de varningsflaggor vi letat efter har vi specialgranskat de 50 kunder som dragit på sig flest riskindikatorer i Swedbank, respektive Danske bank. Underlaget från Ukio Bank analyseras fortfarande och kommer att publiceras senare i vår.

Vi har med anledning av detta följande frågor:

Frågor:

1) Danske bank får av myndigheterna frågor gällande sin högriskgrupp:

"The report from Group Compliance & AML also mentioned the bank's reply in 2012 to the Danish FSA "regarding the high market share of high risk customers"(Danske Bank-rapporten s.45)

Har motsvarande frågor – om andelen högriskkunder - ställts till Swedbank i Sverige eller de tre baltiska länderna? I så fall när och av vem?

2) När vi analyserar transaktionsmönster och ägande (i de fall det är möjligt) ser vi en rad "kluster". Vi har studerat några av dessa t ex, [REDACTED] eftersom de utmärker sig avseende omsättning.

Dessa två kluster har en mängd konton i både Danske bank och Swedbank.

Har ni identifierat misstänkt penningtvätt kopplat till dessa två bolagsstrukturer? I så fall när? Vilka åtgärder har ni vidtagit?

I vår research ser vi att en rad av bolagen kan misstänkas för penningtvätt. Många varningsflaggor kommer upp såsom målvakter, skatteparadis, ökända advokatbyråer, gemensamma adresser etc. Ändå fortsätter pengar slussas år efter år. Varför har inte banken agerat?

3) Ett av de bolag i [REDACTED] som omsätter mest i relation till Danske Bank är [REDACTED]. På många av de omfattande transfereringarna.. mellan [REDACTED] står det i vår data endast "Loan agreement" och ett datum, och samma beskrivning återkommer för väldigt många transaktioner. Finns det hos Swedbank underliggande dokumentation som styrker dessa stora återkommande överföringar?

M

4) UBO bakom [REDACTED] är enligt vår kartläggning [REDACTED] Kände Swedbank till att [REDACTED] är den egentliga ägaren av [REDACTED] i banken?

5) [REDACTED] pekas i vår research ut (av åklagare som utrett organiserad brottslighet) som högrisk-kund, med starka kopplingar till organiserad brottslighet och korruption. Vad är er kommentar till det?

6) Vi har specialstuderat transaktioner som gått mellan Swedbank och Danske bank från kunder med bolag i England. Vi kan då se en rad misstänkta fall av penningtvätt. Exempelvis transaktioner till icke-aktiva bolag har genomförts och många av bolagen delar adresser och kan kopplas till tidigare penningtvättshärvor. Hur ser ni på det?

7) Är [REDACTED] (med tillhörande kluster av bolag) fortfarande kunder i Swedbank?

Uppgifterna ovan kommer att publiceras inom kort varför vi hoppas kunna få ett snabbt svar.

Med vänlig hälsning

Axel"



From: Eva De Falck
Sent: den 1 mars 2019 11:12
To: Ragnar Gustavii
Subject: CMI

Hej Ragnar,

Beträffande insiderkommittén, CMI har funderat ytterligare efter vårt samtal igår och skulle vilja kliva av som Chair av följande skäl:

1. Jag behöver fokusera på mitigerande åtgärder och krishantering gällande AGM, Baltikum, extern och intern kommunikation, styrelsehantering mm. Dessutom måste jag se till att verksamheten fungerar och att Group Legal kan fortsätta supportera affären, som ju måste rulla på. Till skillnad från Compliance kan vi ju inte dedikera en massa jurister till detta – vi är ju i första linjen och affären måste ju rulla vidare.
2. Dessutom hamnar jag i en tydlig intressekonflikt när jag å ena sidan jobbar i linjen med riskmitigerande åtgärder och å andra sidan ska fatta ett neutralt och objektiva beslut, utifrån risken för sanktioner och disciplinåtgärder för banken. Vi har ju inga kollektiva beslut i banken och den som fattar beslutet borde enligt min mening sitta på armlängds avstånd till affären och inte mitt i. (Risk, GIA el dyl. Även vissa funktioner i CFO-Office är tänkbara). I normalfallet när det handlar om att öppna insiderlistor inför kvartalsbokslut eller M&A transaktioner blir inte detta något problem, men det accentueras i en krissituation som denna. Jag talade även med Johan Josjö, GDA, om detta igår kväll och han höll med om att detta är en tydlig intressekonflikt och inte alls optimalt. OBS! Jag tycker att en jurist med rätt kompetens ska vara med i CMI, alltså adjungerad, men inte vara Chair.
3. Johan Josjö var även enig med mig om att det krävs att alla strömmar eskaleras till CMI om processen ska fungera. Jag kan (och hinner) inte gå runt och fråga flera gånger om dagen om något har hänt, utan omständigheter som kommer till bankens kännedom och som kan vara kursdrivande måste eskaleras och loggas samt och ev bedömas och protokollning. Utifrån risken för disciplinåtgärder är den relevanta tidpunkten när banken fått vetskap om omständigheten och inte när CMI har fått veta. Jag tycker inte det är acceptabelt att Compliance säger att de inte har tid att eskalera!

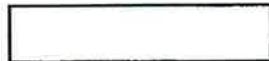
Låt oss prata vidare om detta i nästa vecka. Jag har lite idéer om hur det kan lösas också.

Mvh

Eva

Med vänlig hälsning/Kind regards

Eva C. de Falck



Chefsjurist/Chief Legal Officer
Head of Group Legal/Secretary of the Board

Swedbank (publ) AB
105 34 Stockholm
Dir +46 8 585 935 07
Mob +46 72 733 48 47
Gen +46 8 585 900 00
Email eva.de-falck@swedbank.com

From: Eva De Falck
Sent: den 25 februari 2019 13:10
To: _DL.GEC
Subject: Important information

SWEDISH

Nedanstående information skickades fredagen den 22 Februari till GEC-ledamöter och andra anställda med insyn i pågående AML-ärende.
Meddelandet ska skickas vidare till personer som har tillgång till information och har insyn i frågorna. Observera att det är varje GEC-ledamots ansvar att se till att meddelandet når dem det berör i respektive organisation. Varje GEC-ledamot ansvarar också för att dokumentera vilka i respektive organisationen som har fått meddelandet.
Vänligen notera också att de som har tillgång till kundinformation omfattas av banksekretessen, vilket innebär att sådan information inte får obehörigen röjas.

ENGLISH

The information below was circulated on Friday 22 February to GEC-members and others with insight into the current AML matter.
The message shall be forwarded to employees with information and insight into the matter. Please be aware that it is the responsibility of every GEC-member to make sure that the message reaches the relevant employees in your respective units. Every GEC member is also responsible for keeping a log over employees in respective unit who have received the message.
Please also remember that employees who have access to customer information are always bound by the banking secrecy, meaning that such information may not be disclosed.

Information sent to GEC-members on 22 February:

SWEDISH

Vi har ännu inte formellt öppnat någon insider-lista, men på grund av det känsliga läget vad gäller informationen runt Uppdrag Granskning, uppmanas ni att tills vidare inte handla med Swedbank-instrument/aktier. Detta för att dels begränsa eventuell kritik för det fall det i ett senare skede skulle ifrågasättas varför vi inte hade öppnat en insiderlista och dels för att det kan bli aktuellt att med kort varsel öppna en insiderlista om ny information framkommer.

ENGLISH

We have still not formally opened an Insider list, but due to the sensitive situation regarding the information from the TV show "Uppdrag Granskning", you are hereby urged not to trade in Swedbank instruments/shares for the time being. The reason for this is partly to limit possible criticism at a later stage, in case it should be questioned why we have not opened an insider list, and partly because it can be necessary to open an insider list with very short notice, in case new information should emerge.

Med vänlig hälsning/Kind regards
Eva C. de Falck

Swedbank 

Chefsjurist/Chief Legal Officer
Head of Legal/Secretary of the Board

Swedbank (publ) AB
105 34 Stockholm
Dir +46 8 585 935 07
Mob +46 72 733 48 47

Gen +46 8 585 900 00

Email eva.de-falck@swedbank.com



Minutes Per Capsulam

Author Nene Bjerström Galvan	Date and Time 2019-03-26, 13:00	Page
Specification Council on Managing of Inside Information	Security Confidential	
Present Eva de Falck (Chair), Gabriel Francke Rodau, Gregori Karamouzis		
Absent Anders Karlsson		
Attending		

Meeting papers that has been circulated to the members prior to the meeting are incorporated by reference and referred to as the "Papers" at each relevant item below. Any additional documentation circulated or presented at the meeting is referred to as an appendix at each item below and incorporated by reference.

§ 1 Opening of meeting

The Chair opened the meeting.

§ 2 Approval of previous minutes

N/A.

§ 3 Information regarding article to be published by the television program Uppdrag Granskning

Earlier today the bank received an email from the Swedish television program Uppdrag Granskning ("UG") with a draft to an article to be published today. The article contained, for example, alleged quotes from a report written, on behalf of Swedbank, by the Norwegian lawyer Ehrling Grimstad. Any comment, from the bank, on the article and the alleged quotes should be sent to UG no later than 1 pm today.

The CMI received an email with a copy of the draft article at 11.17.

It was noted that the CMI did not have access to the alleged report, why it was not possible for the CMI to assess the correctness of the quotes.

Due to above the CMI concluded that it was not possible for the CMI to make a proper assessment of the content of the draft article from an insider perspective.

At the minutes:

Checked by:

Nene Bjerström Galvan

Eva De Falck

From: Eva De Falck
Sent: den 2 april 2019 14:17
To: Anders Karlsson
Subject: RE: Två frågor jag beböver lyfta med dig

Hej igen,

Punkt 1. Ok.

Punkt 3 får vi ta tag i när allt lugnat ned sig, men punkt 2 kommer jag att behöva lyfta igen, när vi kartlagt riskerna.

Cecilia har sedan tidigare skjutit ut sig ur insider kommittén (2:a linjen) och jag tycker inte det känns rätt att blanda in henne i detta, eftersom hon/Compliance s a s är part i målet. Vi försöker hantera det från Legal.

Mvh
Eva

From: Anders Karlsson
Sent: den 2 april 2019 13:39
To: Eva De Falck
Subject: RE: Två frågor jag beböver lyfta med dig

Hej Eva,

1. Det är väl styrelsens rätt att få ta del av den informationen. De har fått den tidigare och vill se den igen? Jag förstår inte riktigt hur det kan vara en fråga.
2. Vi måste följa den governance vi har beslutat om. Därför är det väl lämpligt att du (tillsammans med Cecilia?) tar ett möte med GDA och tillsammans reder ut fakta och vilka alternativ vi har, och därefter fattar vederbörligt beslut.
3. Vad gäller CMI processen framgent, skriv gärna ihop ett förslag till ny process och låt oss titta på det.

//Anders

From: Eva De Falck
Sent: den 2 april 2019 11:48
To: Anders Karlsson
Subject: Två frågor jag beböver lyfta med dig

Anders,

Jag vet att du har en extrem press, men jag måste lyfta två frågor med dig:

1. Magnus U har bett att få ut Compliance Q1 rapport 2016 som Viveka avlämnade. Denna rapport är omfattande och flaggar för en hel del brister v g AML i Baltic Banking. I en bilaga till rapporten adresseras en uppföljning av off-shore engagemang, eftersom styrelsen bett om en uppdatering m a a Panama Papers. Compliance råder banken att göra en cross check, samt säger att Compliance kommer att supportera och monitorera under Q3 2016 och återkomma med statusrapport till styrelsen. Detta följs dock aldrig upp – varken av Compliance eller styrelsen. Det talas också om stickprov som aldrig görs... Jag och Ingrid har bokat ett kort möte med dig idag om detta inför kvällens möte. Vi behöver ta ställning till

om Magnus/styrelsen ska få rapporten. Det är tydligt att det inte har följts upp av Compliance, men det slår även tillbaka på styrelsen som inte har efterfrågat uppföljning.

2. Den andra frågan rör ev insiderhantering av Grimstaddrapporten. Den bedömningen borde naturligtvis ha gjorts redan i december, när rapporten kom banken tillhanda och redan där exponerar vi oss för en sanktionsrisk. Vi har nu att ta ställning till hur vi ska hantera den, när den nu kommit till flera personers kännedom. Om vil kommer fram till att rapporten utgör insiderinformation, innebär det att vi måste fatta beslut om att offentliggöra de uppgifter i rapporten som kan antas vara kurspåverkande, alt. skjuta upp offentliggörandet. Om vi offentliggör uppgifterna, kan det innebära att vi äventyrar client privilege....

Vad vi än beslutar ang rapporten innebär det att vi exponerar vi oss för risker som sanktionsavgifter från FI och sanktioner från börser. Den allvarligaste sanktionen från börser är att aktierna avnoteras, vilket förstås är en ren katastrof. **Detta är en för stor fråga för att jag ska kunna hantera den ensam, eller inom ramen för CMI. Både banken och jag personligen exponeras för risker som är så stora att frågan måste lyftas till vd nivå.**

Jag har bett GDA att försöka kvantifiera riskerna i olika scenarier och ge ett handfast råd om vilket agerande som innebär minst risk. Jag har också bett dem skissa på vad man (ur svensk legal synvinkel) skulle kunna kommunicera runt rapporten, för att uppfylla kravet på offentliggörande, samtidigt som vi inte säger sådant som ger ytterligare bad-will eller gör att vi bryter mot banksekretessen. En sådan kommunikation behöver självklart i nästa steg stämmas av med Clifford Chance.

Vi behöver prata om denna fråga inom de närmaste dagarna och jag tror det vore lämpligt att ha ett möte med GDA så de får beskriva riskerna.

Slutligen kan vi konstatera att vår CMI funktion i banken ö h t inte fungerar, eftersom den förutsätter att de som är representerade i kommittén har tillgång till fakta om sådant som kan vara kurspåverkande. Så har inte varit fallet hos oss.

Mvh
Eva

Med vänlig hälsning/Kind regards
Eva C. de Falck



Chefsjurist/Chief Legal Officer
Head of Group Legal/Secretary of the Board

Swedbank (publ) AB
105 34 Stockholm
Dir +46 8 585 935 07
Mob +46 72 733 48 47
Gen +46 8 585 900 00
Email eva.de-falck@swedbank.com

From: Eva De Falck
Sent: den 3 april 2019 11:17
To: Ragnar Gustavii
Subject: CMI

Hej Ragnar,

Jag behöver lyfta frågan om ev insiderhantering av Grimstaddrapporten med dig. Den bedömningen borde naturligtvis ha gjorts redan i december, när rapporten kom banken tillhanda och redan i o m att det inte gjordes exponerar vi oss för en sanktionsrisk. Vi har nu att ta ställning till hur vi ska hantera rapporten, när den nu kommit till flera personers kännedom. Om vil kommer fram till att rapporten utgör insiderinformation, innebär det att vi måste fatta beslut om att offentliggöra de uppgifter i rapporten som kan antas vara kurspåverkande, alt. skjuta upp offentliggörandet. Om vi offentliggör uppgifterna, kan det innebära att vi äventyrar client privilegie (advokatsekretessen), vilket kan få bäring på US Authorities....

Vad vi än beslutar ang rapporten medför det m a o att vi exponerar vi oss för risker som höga sanktionsavgifter från FI och sanktioner från börser. Den allvarligaste sanktionen från börser är att aktierna avnoteras, vilket förstås är en ren katastrof, även om det inte är sannolikt. Detta är en för stor fråga för att jag ska kunna hantera den ensam, eller inom ramen för CMI (som inte längre existerar). Både banken och jag personligen exponeras för risker som är så stora att jag måste kunna bolla frågan med någon. Detta särskilt som vår CMI funktion i banken ö h t inte fungerar, eftersom den förutsätter att de som är representerade i kommittén har tillgång till fakta om sådant som kan vara kurspåverkande. Så har inte varit fallet hos oss.

Anders vill inte längre delta i CMI p g a sin nya roll, vilket är förståeligt och Gabriel och Gregori har inte läst rapporten..... Tanken med CMI är ju att en bedömning ska göras av personer som är insatta i frågan och kan förutse hur kunder, finanser och investerare kan påverkas av informationen – inte att beslutet ska tas av mig personligen.

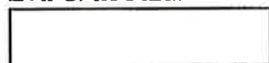
Jag lyfter detta för att jag inte vill exponera banken för ytterligare risker, (inte för att vara besvärlig☺).

Jag har bett GDA att försöka kvantifiera riskerna i olika scenarios och ge ett handfast råd om vilket agerande som innebär minst risk. Jag har också bett dem skissa på vad man (ur svensk legal synvinkel) skulle kunna kommunicera runt rapporten, för att uppfylla kravet på offentliggörande, samtidigt som vi inte säger sådant som ger ytterligare bad-will eller gör att vi bryter mot advokatsekretessen. En sådan kommunikation behöver självklart i nästa steg stämmas av med Clifford Chance.

Vi behöver prata om denna fråga inom de närmaste dagarna när jag har fått mer input från GDA.

Mvh
Eva

Eva C. de Falck



Chefsjurist/Chief Legal Officer

Head of Group Legal/Secretary of the Board

Swedbank (publ) AB
105 34 Stockholm
Dir +46 8 585 935 07
Mob +46 72 733 48 47
Gen +46 8 585 900 00
Email eva.de-falck@swedbank.com



Follow up on Swedbank's risk exposure in relation to the investigation of ML issues in Danske Bank, Estonia

Internal Memo/Confidential – not to be spread to anyone without the express consent of the CEO of Swedbank AB (publ)

Receivers:

The CEO of Swedbank AB (publ)

The Head of Baltic Banking

The CRO of Swedbank AB (publ)

The Specially Appointed Executive for AML of Swedbank AB (publ)

Prepared by:

Swedbank Compliance

2018-09-20

SUMMARY

Background

This memo is a follow up to previous reported risk exposure between Swedbank Baltic Banking (Swedbank) and Danske Bank Estonia (DBE)¹.

This memo is intended to give an overall oversight and insight into questionable transactions and to describe the risk related to Swedbank in relation to the investigation of money laundering (ML) issues in DBE - and especially customers and counterparties incl. their transactions that could be linked to the problems in DBE. It has not been possible at this stage to relate the numbers in this investigation to the numbers revealed in the DBE Report (defined below).

Scope of investigation and who was involved

Due to the big amount of data and transactions the investigations and analysis have been limited to (i) questionable transactions and parties, based on decided specific risk indicators that have been applied² during the period 2007-2015 and also thresholds for amounts.³ Hence, not all transactions between Swedbank and DBE have been analysed.

Further, the portfolio investigation has been made using a risk based approach based on the decided risk indicators. Both former and current customers in Baltic Banking have been run against these risk indicators and grouped based on the perceived risk. A transaction-by-transaction approach has not been adopted in this phase of the investigation. This is due to time- and resource restraint, but also since this until now has not been deemed necessary⁴. Thus, some clients are only identified with one single transaction to/from these clients of DBE, while others have several transactions.

¹ Dated 2018-07-12 distributed only to a few internal stakeholders.

² The risk indicators used are (i) legal form: L.P, LP, LLP, LTD, LIMITED, LLC, INC, CORP, S.A. (more legal forms have later been detected as relevant, e.g., GMBH, A.G. A/S (Danish legal form), however transactions with these have not been significant in comparison to the others) (ii) payment description: "loan", "refund", "repaid", "return" (more payment details have been found as relevant, e.g., "consulting", "corporate service", however transactions which includes these have not been significant in comparison to the others) (iii) currency: EUR (included EEK converted to EUR), USD have been used. Other currencies GBP, RUB and, CHF have been identified but are not included in the amounts set out in this memo since they are deemed not to be significant and (iv) counterparty (clients of DBE).

³ EUR 5000 for domestic payments and EUR 2500 for foreign payments.

⁴ After having taken part of the "Report on the Non-resident Portfolio at Danske Bank's Estonian branch", made public 2018-09-19, (the DBE Report) Compliance can conclude that this is the same approach that has been used by DBE.



The fact that former or current customers have been linked/involved in some suspicious payments does not necessarily imply that such payments or all of their payments were suspicious.

The investigations and analysis have been done by Compliance, with the assistance of the external consultant BDO.

A comprehensive way of describing the risk that Swedbank is exposed to when it comes to AML/CTF risks is by describing the networks and links that our clients are associated with, as is shown in certain examples in [Appendix 1⁵](#).

Key takeaways:

The following most important takeaways are⁶:

- 1) **None** of the entities that have been mentioned in media in the DBE case has been identified as **customers** of Swedbank based on transaction with DBE. (Only a few of the concerned DBE customers have so far been named in media.)
- 2) The investigation shows, that approx. **3440** of Swedbank's **former and current customers** have **conducted transactions** with counterparties of DBE and their networks, whereof approx. **2000⁷** are **current customers**.
- 3) The turnover of identified questionable/suspicious clients and/or counterparties with transactions with DBE (the "Flow")⁸ amounts to approx. EUR 3 200m and approx. USD 6 700m from 2007 till 2015, which comprises both former and current clients.
- 4) **29 clients** of Swedbank, of which **11 are still customers**, have been identified as **non-acceptable**. They have been **directly matched** against the list of the **Russian Laundromat companies** published by the Organized Crime and Corruption Reporting Project (OCCRP). **163 counterparties**, i.e. clients of DBE, on the same OCCRP list **have made transactions with Swedbank's customers**, both former and current clients.
- 5) **35 former clients** of Swedbank, which **all are UK registered LPs/LLPs**, have performed transactions with **clients of DBE**. At least **17** of these former clients are **controlled by some of the most infamous offshore companies and proxy/nominee directors linked to organized corruption and money laundering**. In addition, these former LP/LLP clients are linked by transactions to other LP/LLP companies, some mentioned in relation to Magnistky, Azerbaijani

⁵ Still in draft form

⁶ Please note that the numbers of customers matched in different segments as well as stated amounts still are under validation by BDO, which means that there could be some changes in the data.

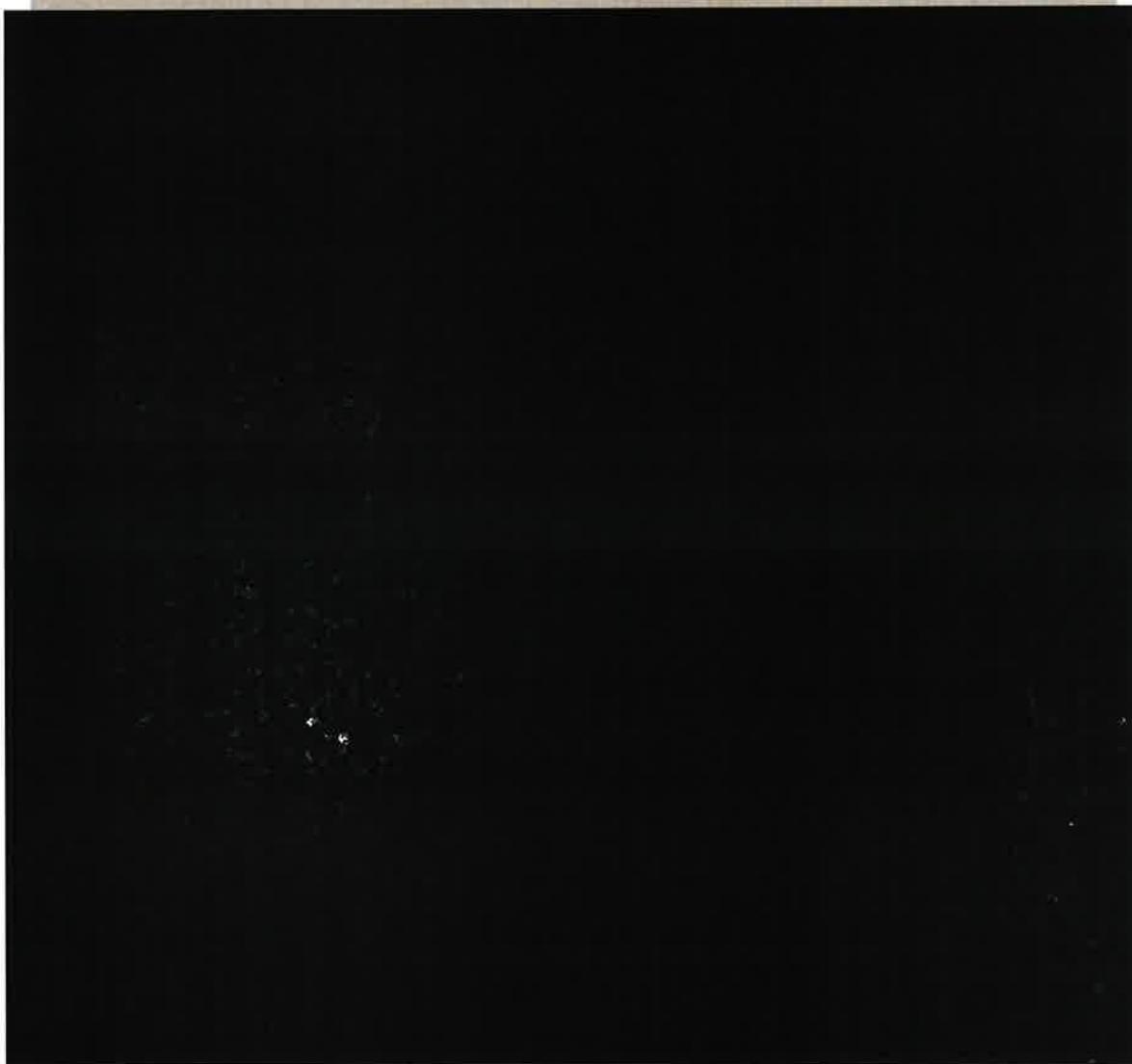
⁷ As set out in footnote 7, the data, which currently matches 1986 clients, is not fully confirmed. However, for the sake of simplicity the number 2000 is used throughout the memo at this point.

⁸ We are for this purpose using the term as the DBE Report in order to be able to "compare". However, it should be noted that from what we understand the flow in the DBE Report is the total flow in DBE Estonia (not limited to flow to/from certain banks). However, the DBE Report only covers the so called Non-resident Portfolio and it is unclear what this precisely comprises. The investigation carried out by Compliance, could have identified customer and counterparties of DBE not covered by the Non-resident Portfolio.



Laundromat, Russian Laundromat, Deutsche Bank mirror trade and the problems related to DBE.

- 6) At least **237 clients** of Swedbank, **mostly former**, identified in the Flow have a **positive match** against the Investigative Consortium of Investigative Journalists (ICIJ) database/lists ("ICIJ"), whereof at least **74** are **linked** to Mossack Fonseca ("MF").
- 7) At least **350 counterparties** (i.e. clients of DBE) of **Swedbank's customers** have a **positive match** against ICIJ, whereof at least 100 are linked to **MF**.



1. Background

DBE has repeatedly been accused of facilitating money laundering by the Danish business paper, Berlingske. The allegations have also been broadcasted by other media and organisations and the problems around DBE has also lead to investigations from authorities in Denmark and Estonia but also France; both in general as regards the bank as well as regarding possible criminal actions towards employees. The result of the investigation done by DBE was published in the DBE Report.

It seems that Berlingske, as well as OCCRP, have access to internal documents and account statements from DBE customers. Based on those documents it has been concluded that accounts of non-resident companies (e.g., includes NZ, UK, PA, BZ, etc.) in DBE were used to transfer funds originating from several worldwide organized money laundering scheme, including the following (according to published info)¹² :

- **Magnitsky** - Transactions comprising DKK 28bn, during 2007-2015 connected to Russian tax fraud; named after the lawyer S Magnitsky, who died in a Russian prison
- **Moldova** - Transactions comprising DKK 7bn, during 2011-2014 connected to tax fraud and corruption etc. involving Russian organized criminals
- **Azerbaijani Laundromat** - Transactions comprising DKK 18bn, during 2012-2014 connected to fraud and corruption also pointing at European officials and politicians
- **Russian Laundromat** - Transactions value not revealed, but conducted during 2007-2015 connected to companies alleged controlled by the family of Putin and FSB.
- **Deutsche Bank Mirror Trading.**

It should also be noted that Bill Browder filed a report in July 2018 pointing at 26 former and current employees of DBE, accusing them of money laundering and other criminal activity. Ultimo July, the Estonian State Prosecutor's Office announced that criminal investigation has been started based on this report.¹³ The Danish Prosecutor's Office has informed about launching similar investigation in Denmark. The DBE Report also states that 42 employees and "agents" have been deemed to have been involved in some suspicious activity and where DBE is in the process of filing SARs to the Estonian FIU and further that they have reported 8 former employees directly to the Estonian police.

This memo is intended to describe Swedbank's risk as regards Swedbank's customers, their counterparties and their transactions which could be directly, or to some extent indirectly, linked to the problems in DBE and the customers in DBE that has been mentioned in the media, which are only a handful, while sources talks about several hundreds.

¹² <https://www.b.dk/national/english-version-an-overview-of-the-danske-bank-money-laundering-scandal> .

¹³ The Estonian media has also published an interview with an anonymous person who claimed that he/she is aware of practices that were used by the non-resident department of DBE. The source explained among other things how new clients were recruited and how the internal setup and 'service packages' made alleged money laundering in DBE possible, including how special payments to employees was organized.



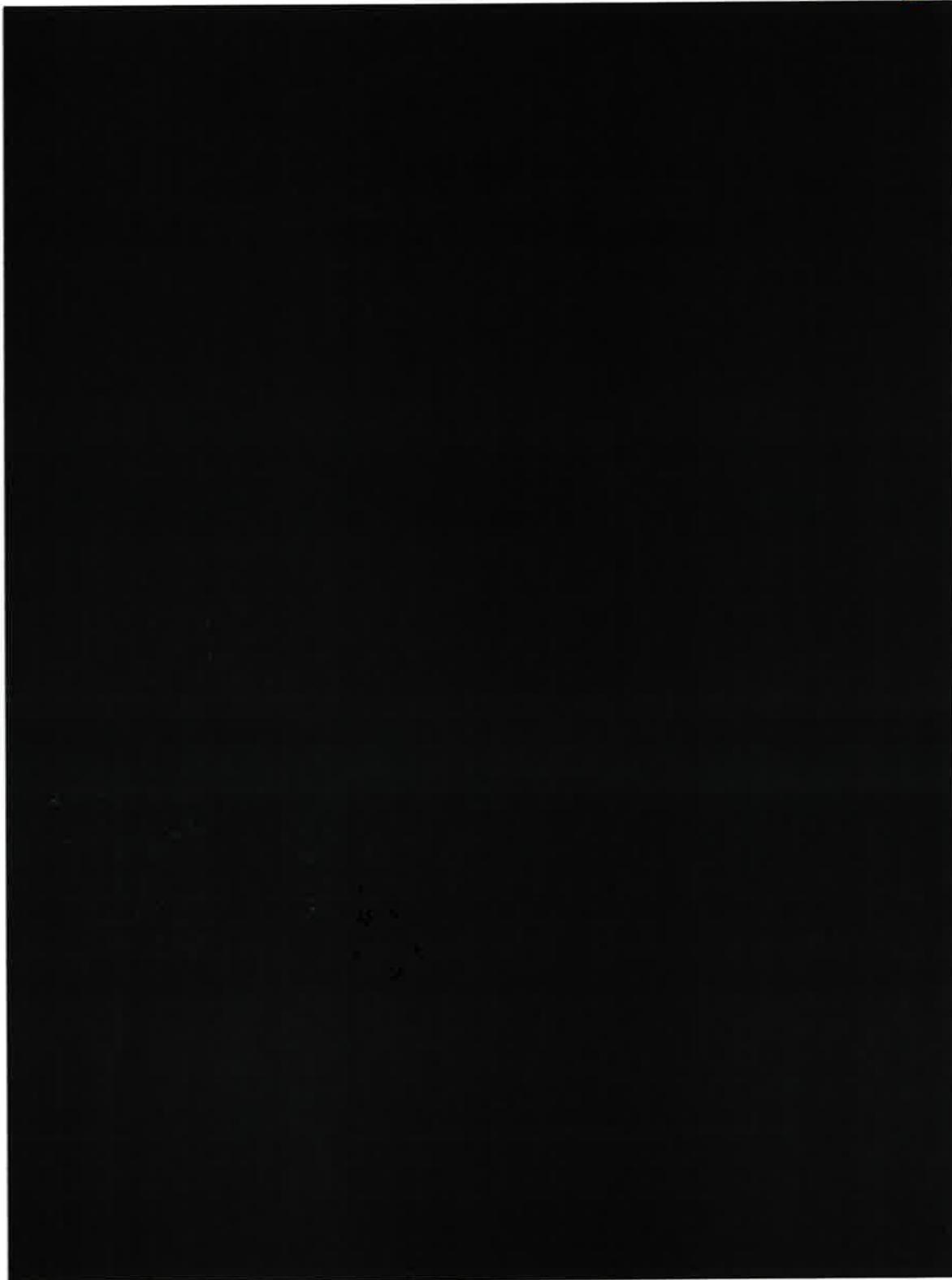
2. Scope of the investigation, available data and sources and who has been involved



3. Customers, counterparties and the Flow

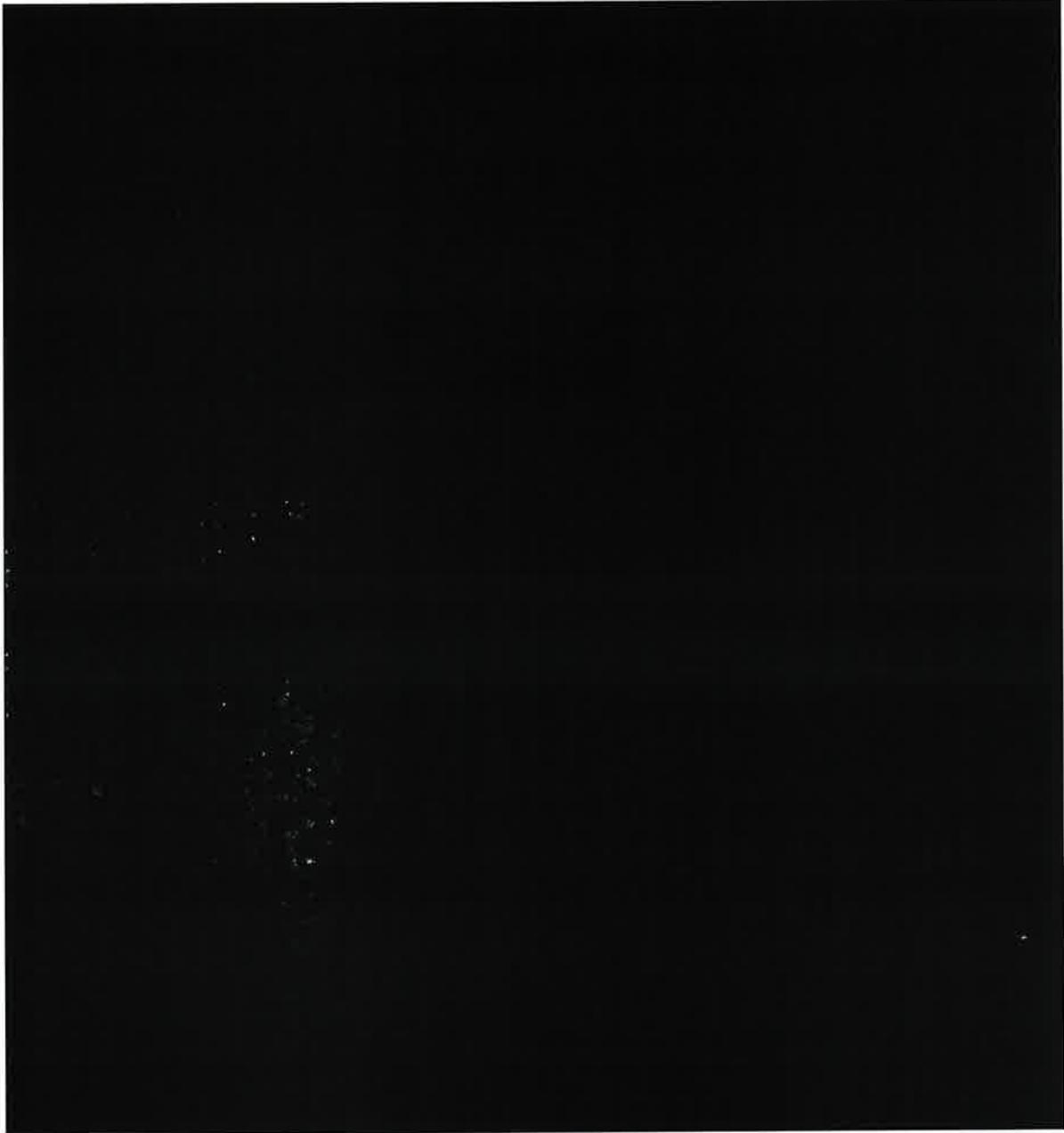


Swedbank 





4. Identified customers/transactions of non-acceptable and high risk character





Top transactions - off-boarded clients with special interest





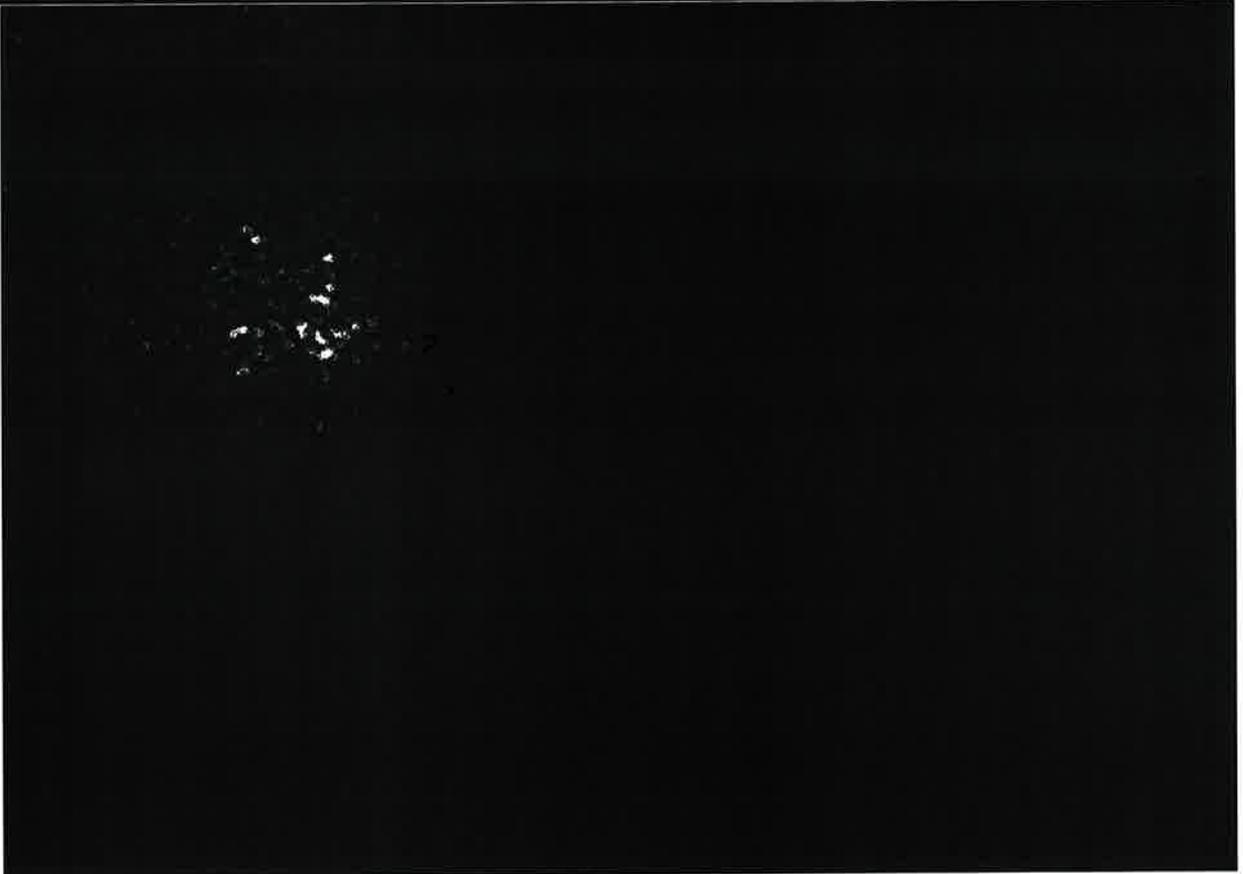


5. Existing customers that can be connected to DBE ML issue or other ML issues



Further, more detailed information of the existing customers connected to DBE is presented in [Appendix 2](#).









6. The way forward – Proposed actions to be taken



A. Principles for risk appetite



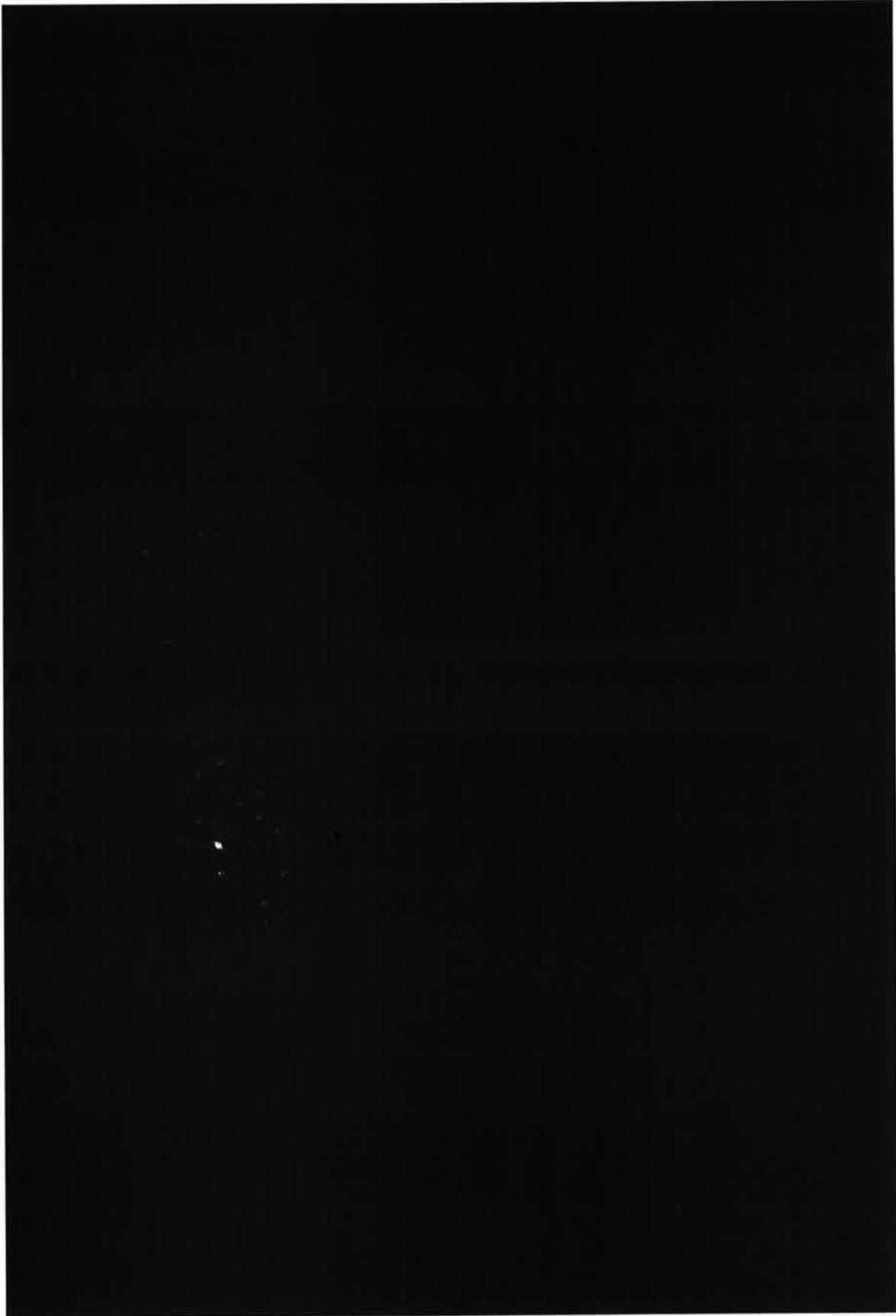
The proposed principles are as follows;

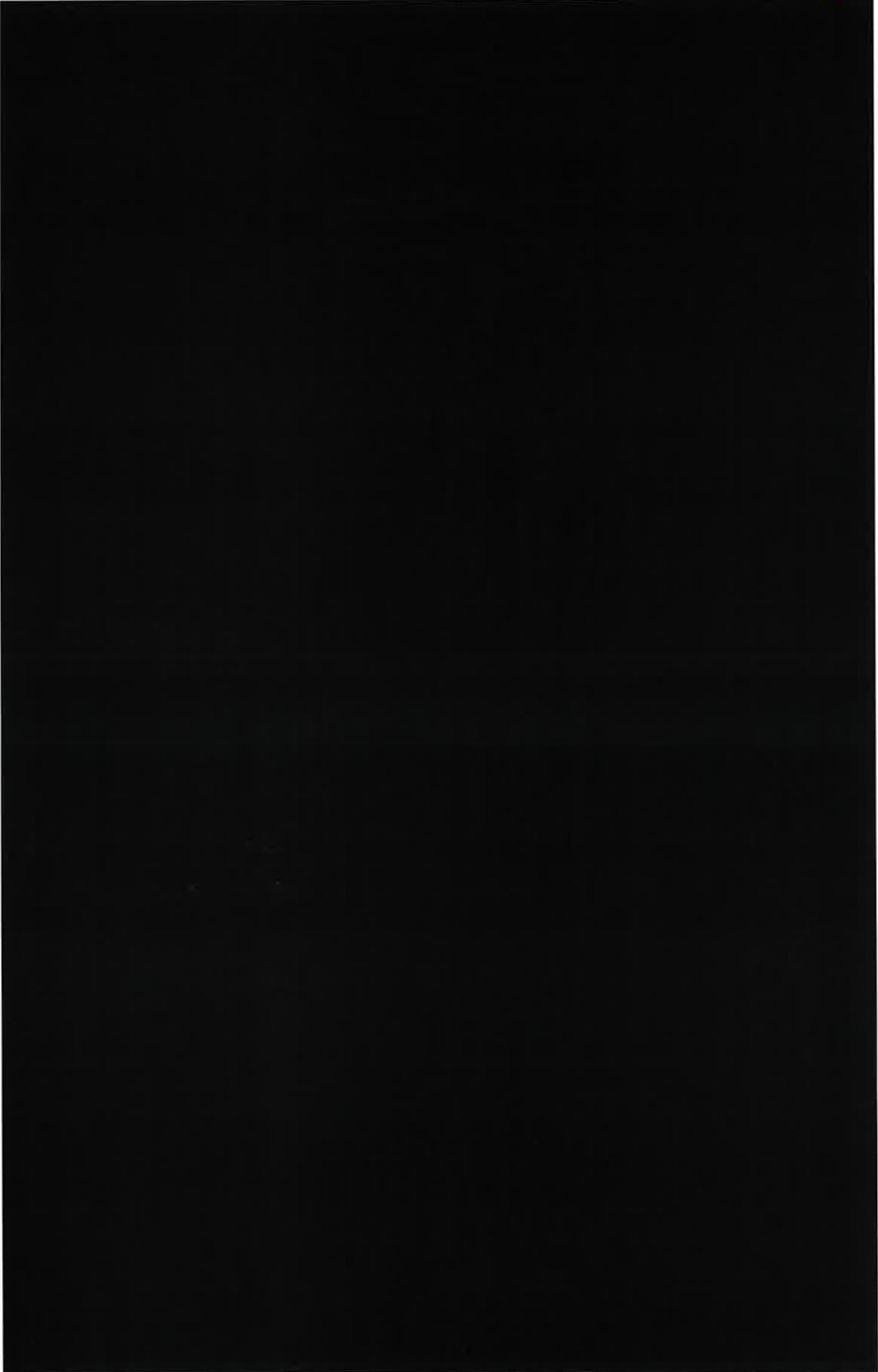


B. Existing 2000 clients identified in the Flow – Monitoring and possible off-boarding

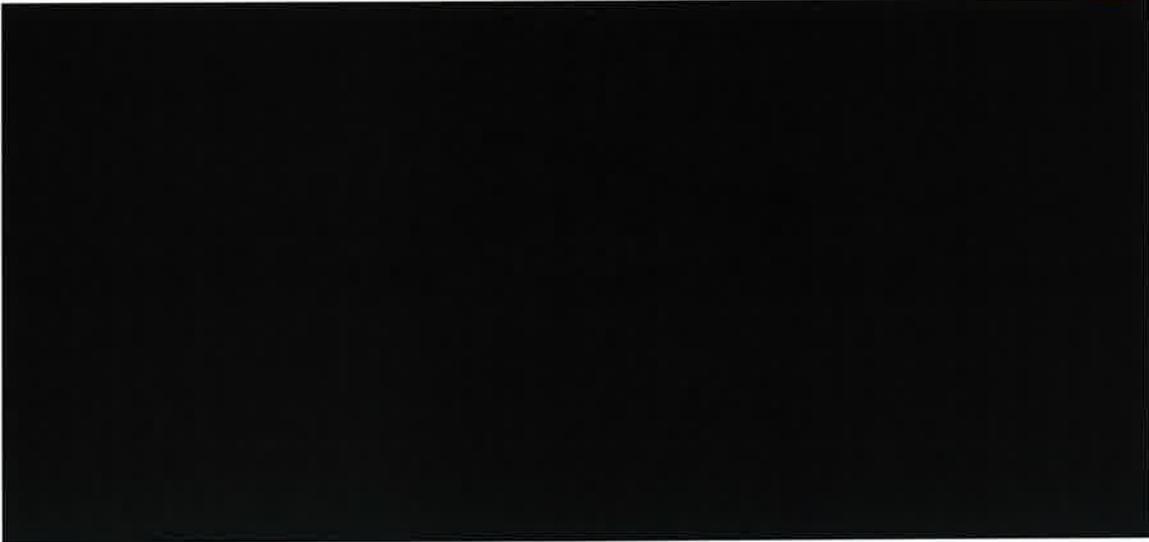


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Pressmeddelande

5 april 2019

Angående medieuppgifter om identifierade brister i regelefterlevnad i Swedbank AB

I den senaste tidens medierapportering förekommer uppgifter om brister i Swedbanks regelefterlevnad när det gäller penningtvätt, bland annat i den sk Grimstadrapporten. Därför har banken med godkännande av styrelse och vd - och i samarbete med relevanta myndigheter - startat en bred granskning i både de svenska och baltiska verksamheterna.

-Granskningen omfattar både efterlevnad av regelverk för att upptäcka och rapportera penningtvätt samt bankens styrningsprocesser. Granskningen genomförs i samarbete med relevanta myndigheter, säger Ragnar Gustavii, chef för VD-staben på Swedbank.

Nedan utlåtande beskriver bankens pågående granskningsarbete

Den senaste tidens uppgifter i media har indikerat att banken genom interna utredningar, har identifierat historiska brister i Swedbanks rutiner och kontroller för motverkan av penningtvätt i Baltikum. Vissa har utförts med externt stöd.

Swedbanks arbete för att förbättra sina system och kontroller för regelefterlevnad omfattar pågående utvärderingar av effektivitet i systemen och kundförhållanden. Under de senaste åren har Swedbank genomfört flertalet granskningar av kundbas och övervakningsrutiner. Därigenom har Swedbank över tid identifierat historiska brister i rutiner och kontroller för att motverka penningtvätt. Till exempel har Swedbank identifierat att vissa kunder i Swedbanks baltiska verksamhet funnits med i listor över personer och företag som omnämnts i samband med tidigare misstänkta penningtvättsaffärer. Man har också sett att Swedbank Estland har ingått kundförhållanden trots att information verkar ha saknats om exempelvis företags verkliga ägare, pengars ursprung och vad affärsförbindelsers verkliga art och syfte varit. Det finns indikationer på att Swedbanks baltiska verksamhet underlåtit att utreda och rapportera misstänkta transaktioner och misstänkt beteende. Det finns också en risk att anställda i Swedbank Estland historiskt kan ha agerat i samarbete med kunder eller understött kunders misstänkta transaktioner och misstänkta beteende.

Till följd av dessa utvärderingar har Swedbank över tid avslutat vissa kundförhållanden som identifierats innebära en risk som går utöver bankens risktolerans. Swedbank har också identifierat behov av förbättring och förstärkning i system och kontroller för att motverka penningtvätt.

Dessa interna utredningar rörande historisk regelefterlevnad har varit en del av Swedbanks ordinarie arbete för att motverka penningtvätt. Vissa utredningar pågår fortfarande och finns i nuläget endast i utkastform. Vissa har varit begränsade i omfång och hade specifika syften och mål. Enskilt ger utredningarna inte en fullständig bild av de historiska eller nuvarande omständigheterna för bankens arbete mot penningtvätt. Detta gäller bland annat rapporten "*Draft Preliminary Status Report on AML*", vilken har upprättats av bankens externa ombud Erling Grimstad och omnämnts i media.



Swedbank har, med godkännande från styrelse och vd inlett en omfattande intern utredning av bankens historiska efterlevnad av regelverken. Utredningen omfattar motverkan av penningtvätt och styrningsrutiner inom Swedbank och dess baltiska dotterbolag. Utredningen görs med stöd av erfarna externa rådgivare och bevisetkniker samt i samarbete med relevanta myndigheter.

Utredningen kommer bland annat inkludera preliminära slutsatser från tidigare utredningar och förväntas bli tidskrävande att färdigställa. Swedbank kan inte förutse resultatet av denna utredning, men kommer ta ställning till de slutsatser som dras under det pågående analysarbetet. Swedbank kommer att samarbeta med berörda myndigheter kring de slutsatser som utredningen presenterar.

För mer information:

Unni Jermdal, presschef, Swedbank, tfn: +46 73 092 11 80

Detta meddelande gäller offentliggörande av insiderinformation

Swedbank AB (publ) ska offentliggöra denna information enligt Marknadsmisbruksförordningen (EU) nr 596/2014, lagen (2007:528) om värdepappersmarknaden, lagen (1991:980) om handel med finansiella instrument och Nasdaq Stockholms regelverk för emittenter. Informationen lämnades för offentliggörande den 5 april 2019, kl xx.xx.

From: Unni Jerndal
Sent: den 6 april 2019 14:12
To: Gabriel Francke Rodau; Ragnar Gustavii; Eva De Falck; Gregori Karamouzis
Subject: FW: senaste

Här är de sista versionerna av prm ang insiderfråga som behöver kommuniceras. Ser att det vore bra med en taktisk plan där denna och ev andra frågor som behöver "vädras" tas om hand på ett sätt så att bolagsledningens agerande blir genomtänkt, resolut och konsekvent. Och bidrar till att vi tar steg mot att få ett avslut på krisen.

Denna release innehåller information som kommer att väcka många frågor som kan skada bolaget om inte någon ledande företrädare med lugn och sakliga argument - samt ett stort mått av ödmjukhet - kan svara och förklara vad det som står i releasen innebär.

I den situation vi står i nu måste vi börja leva våra värderingar. Om vi går ut med detta men inte svarar på frågor så blir det en ny version på "mörka" och "obegriplig".

Bästa
Unni

From: Unni Jerndal
Sent: den 5 april 2019 15:50
To: Eva De Falck
Subject: senaste

Eva

Jag gjorde en sista ändring i sista stycket på den svenska versionen. Tror att det blev bättre. Men kolla innan jag skickar vidare.

Bästa
Unni

Unni Jerndal
Press Officer
Group Communication

Swedbank AB (publ)
SE-105 34 Stockholm
Vislt: Landsvägen 40, Sundbyberg

Dir: +46 (0)8 5859 7640
Mob: +46 (0)730921180



Minutes

INTERNAL AND CONFIDENTIAL

Author Eva de Falck	Date 10 April 2019	Page 1 (5)
Specification The Board of Directors – Swedbank AB	Identification S 19/19 Extra	

Present: Ulrika Francke, Chair
Bodil Eriksson
Kerstin Hermansson
Bo Johansson
Anna Mossberg
Peter Norman
Siv Svensson
Magnus Uggla

Camilla Linder (by telephone)
Roger Ljung

Anders Karlsson, CEO
Ingrid Harbo, CAE
Eva de Falck, Secretary of the Board of Directors

Apologies of
absence: Mats Granryd

Date: 10 April 2019

Venue: Swedbank HQ, Landsvägen 40, Sundbyberg

§ 1 OPENING OF THE MEETING

The Chair, Ulrika Francke, opened the meeting and welcomed everybody.

[REDACTED]

There is also a plan to replace the current Chief Compliance Officer, Cecilia Hernqvist, with the current CAE, Ingrid Harbo as acting Chief Compliance Officer. [REDACTED]

[REDACTED]

[REDACTED]



Minutes

INTERNAL AND CONFIDENTIAL

Author Eva de Falck	Date 10 April 2019	Page 2 (5)
Specification The Board of Directors - Swedbank AB	Identification S 19/19 Extra	



§ 2

PANAMA PAPERS / NON RESIDENTIAL CUSTOMERS IN SWEDBANK





Minutes

INTERNAL AND CONFIDENTIAL

Author Eva de Falck	Date 10 April 2019	Page 3 (5)
Specification The Board of Directors - Swedbank AB	Identification S 19/19 Extra	

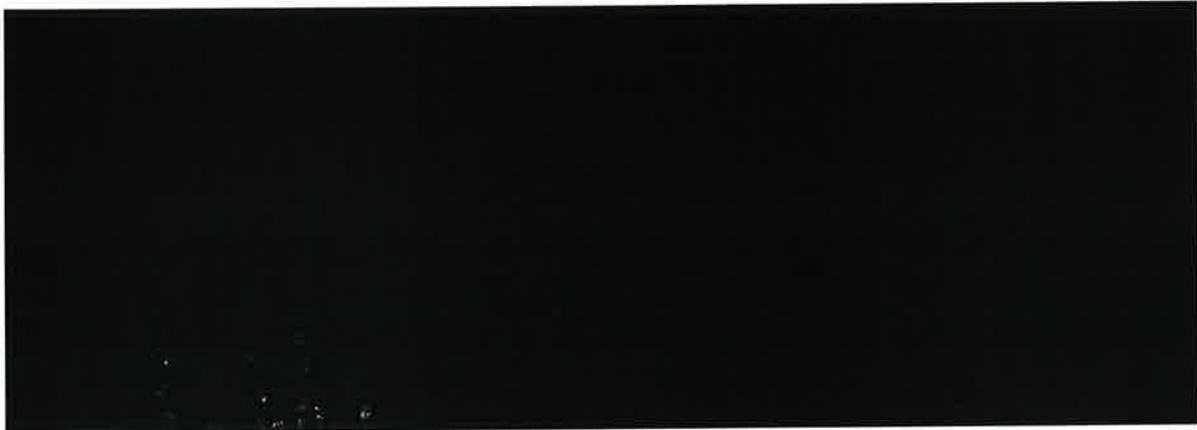




Minutes

INTERNAL AND CONFIDENTIAL

Author Eva de Falck	Date 10 April 2019	Page 4 (5)
Specification The Board of Directors – Swedbank AB	Identification S 19/19 Extra	



§ 3 REMUNERATION TO ACTING CHIEF COMPLIANCE OFFICER



§ 4 CLOSING OF THE MEETING

The Chair, Ulrika Francke asked the Board members to revert to her on their availability to be re-elected as Directors of the Board of Swedbank AB (publ) at a possible upcoming Extra General Meeting.

Ulrika Francke also asked everyone to send their input regarding external communication to Bodil Eriksson who will forward the input received to Kreab.

As no further matters were at hand, the Chair, Ulrika Francke, declared the meeting, which was opened at 18.00, closed at 20.45.

Minutes kept by:

Eva de Falck



Minutes

INTERNAL AND CONFIDENTIAL

Author Eva de Falck	Date 10 April 2019	Page 5 (5)
Specification The Board of Directors – Swedbank AB *	Identification S 19/19 Extra	

Checked by:

Ulrika Francke

Siv Svensson

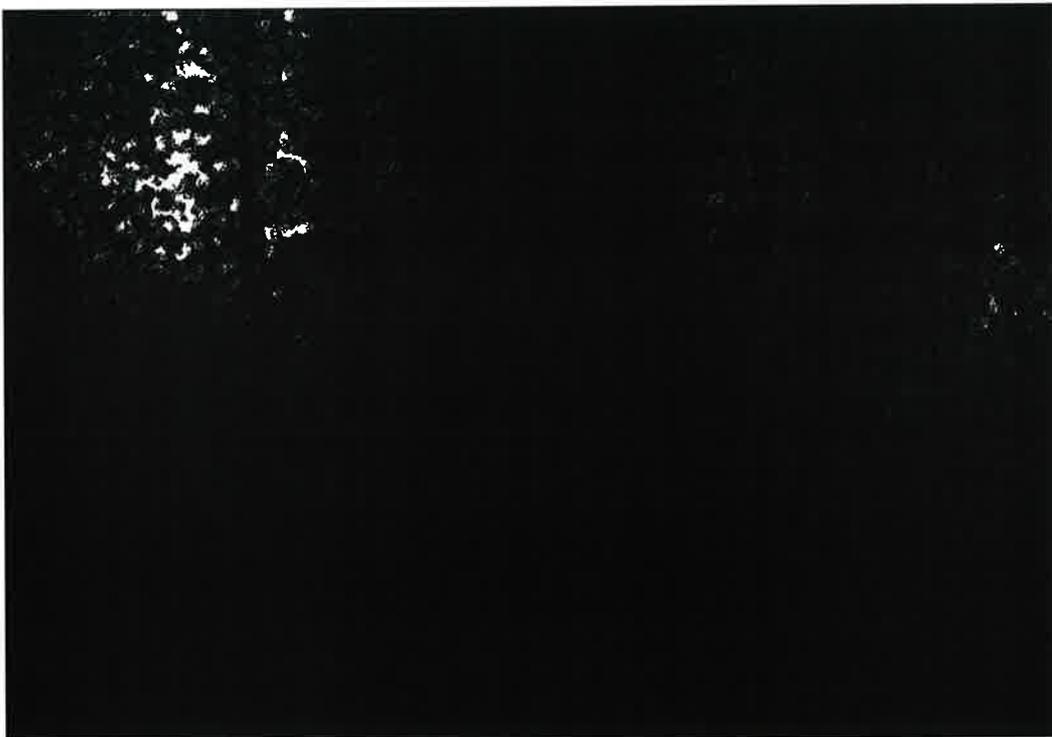
Communication plan – managerial and organisational changes

Version: 3
2019-04-10

1.1 Background

Recent events have shed light on the importance of further strengthening our group capabilities within the area of financial crime. As previously communicated we have decided to further invest in a new internal unit, Financial Crime Intelligence, to focus on finding and handling criminal activities that are the basis for money laundering.

Being active in four different home markets requires us to have a unified approach on how to manage financial crime, and ensure that all business areas get the support necessary. A centralised financial crime intelligence unit will make it possible to gather and distribute information throughout the group and support the group in defining strategies, performing investigations and defining appropriate mitigating actions.



Author/Administrator: Gabriel Francke Rodau
Department:

Specification/Version: 3
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

1.3 Time plan



Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 3
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

1.4 Press release

Press release

11 April 2019

Swedbank sets up Financial crime intelligence unit



Confidential

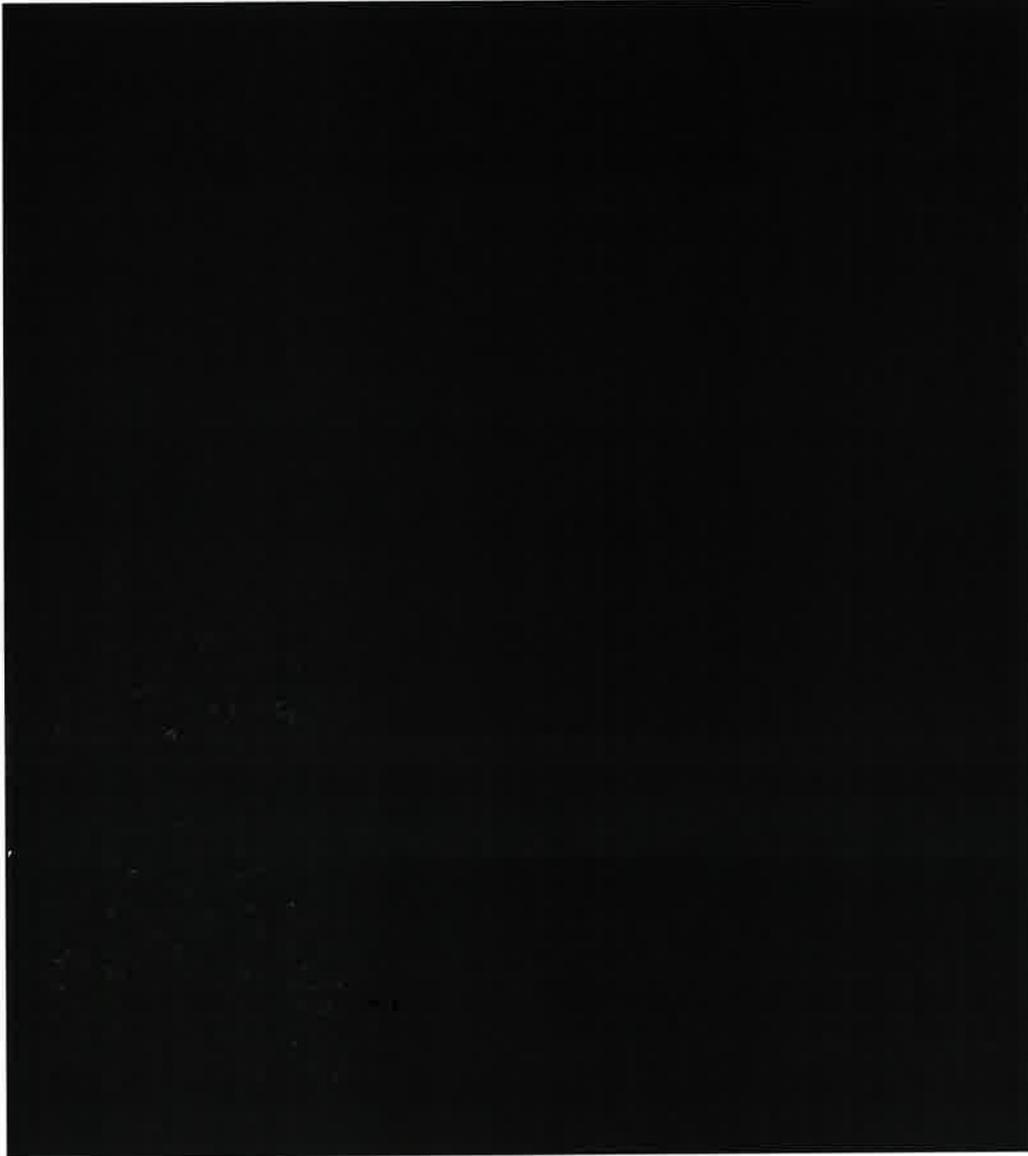
Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 3
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

1.5 Internal article

Swedbank sets up Financial crime intelligence unit



Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 3
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

Communication plan – managerial and organisational changes

Version: 5
2019-04-10

1.1 Background

Recent events have shed light on the importance of further strengthening our group capabilities within the area of financial crime. As previously communicated we have decided to further invest in a new internal unit, Financial Crime Intelligence, to focus on finding and handling criminal activities that are the basis for money laundering.

Being active in four different home markets requires us to have a unified approach on how to manage financial crime, and ensure that all business areas get the support necessary. A centralised financial crime intelligence unit will make it possible to gather and distribute information throughout the group and support the group in defining strategies, performing investigations and defining appropriate mitigating actions.



Author/Administrator: Gabriel Francke Rodau
Department:

Specification/Version: 5
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

1.3 Time plan



Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 5
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

1.4 Press release

Press release

11 April 2019

Swedbank sets up Financial crime intelligence unit

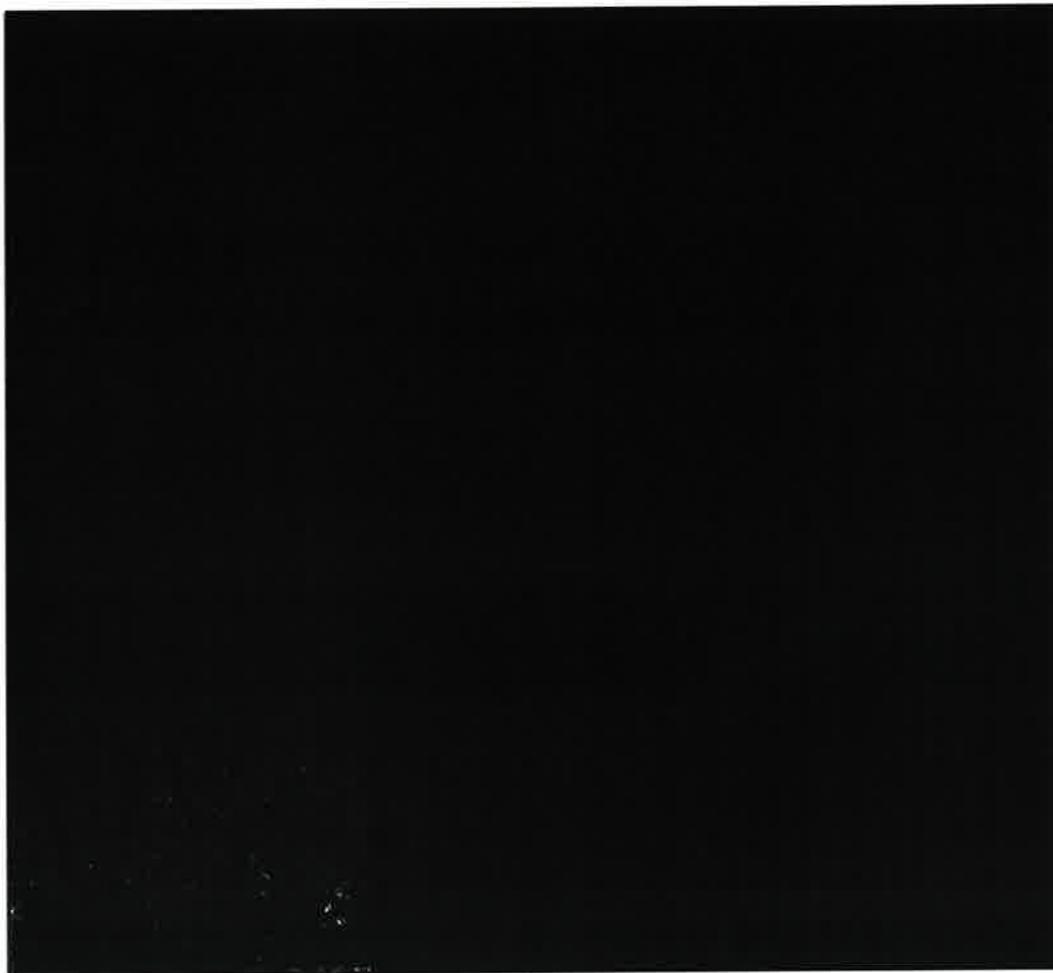


Confidential

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Department: Group Communication

Specification/Version: 5
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

1.5 Internal article

[To be updated based on the press release]

Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 5
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

Communication plan – managerial and organisational changes

Version: 7
2019-04-10

1.1 Background

Recent events have shed light on the importance of further strengthening our group capabilities within the area of financial crime. As previously communicated we have decided to further invest in a new internal unit, Anti-Financial Crime (AFC), to focus on finding and handling criminal activities that are the basis for money laundering.

Being active in four different home markets requires us to have a unified approach on how to manage financial crime, and ensure that all business areas get the support necessary. A centralised AFC unit will make it possible to gather and distribute information throughout the group and support the group in defining strategies, performing investigations and defining appropriate mitigating actions.

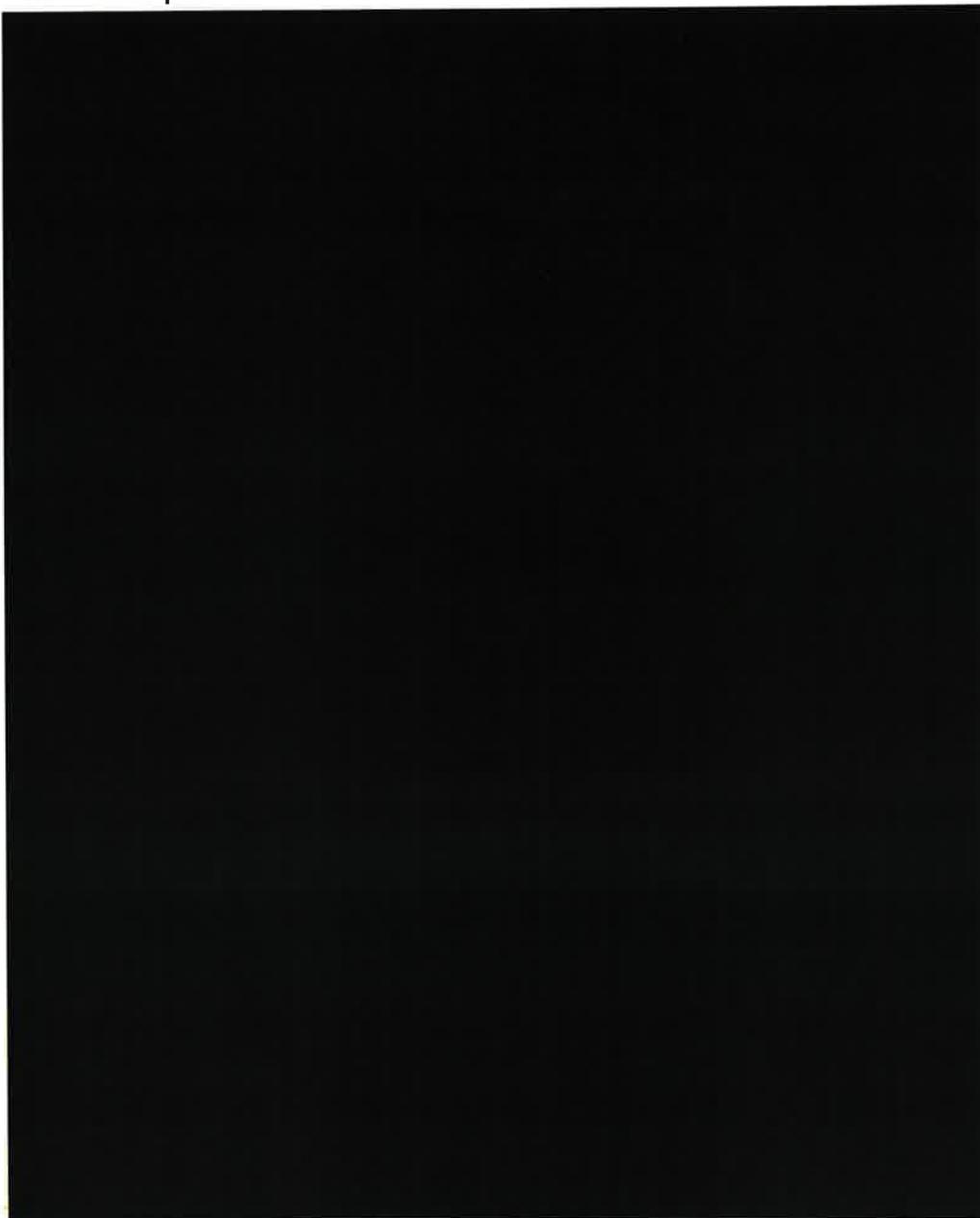


Author/Administrator: Gabriel Francke Rodau
Department:

Specification/Version: 7
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

1.3 Time plan



Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 7
Information class: Confidential

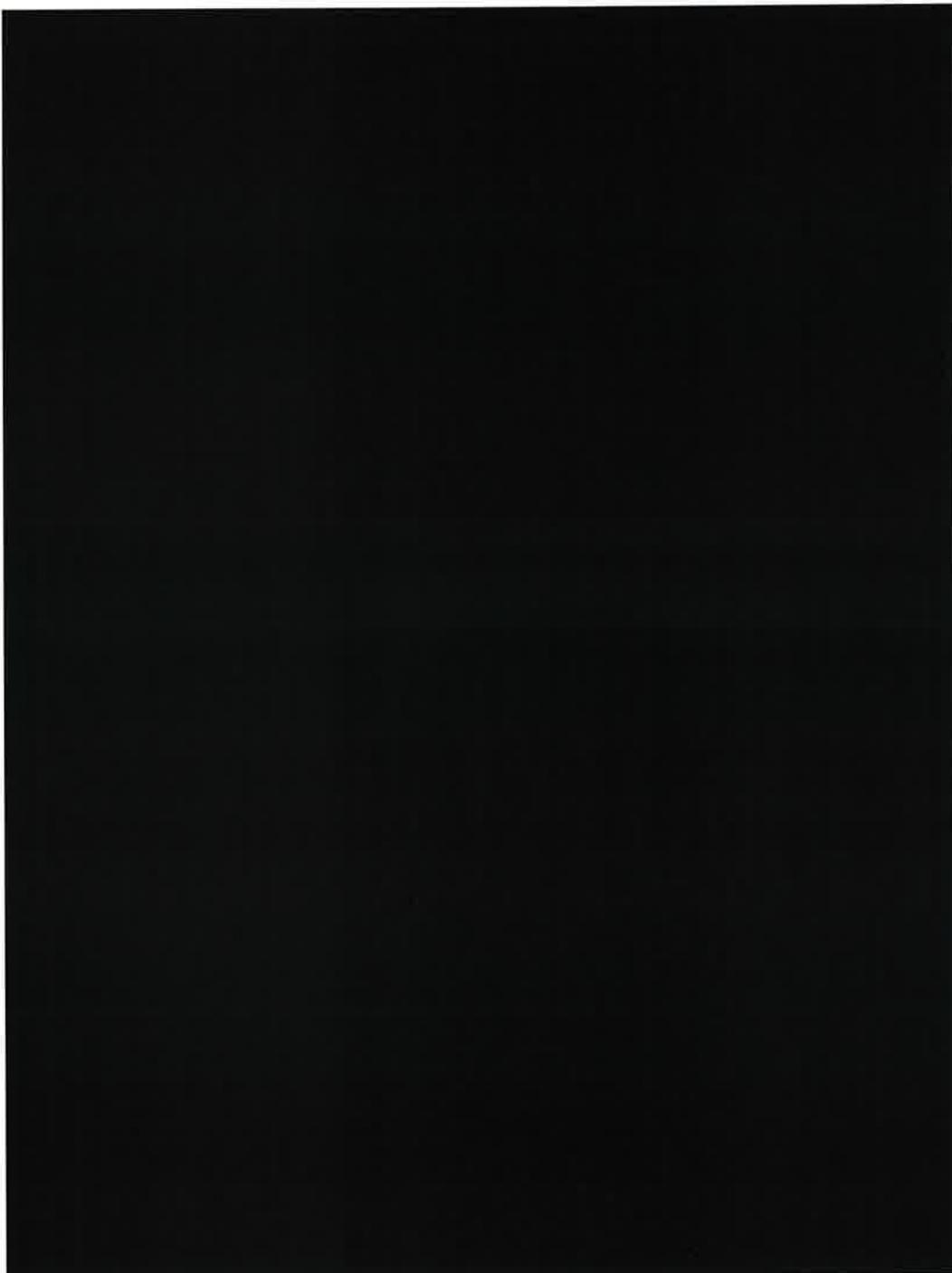
Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

1.4 Press release

Press release

12 April 2019

Swedbank establishes an Anti-Financial Crime unit

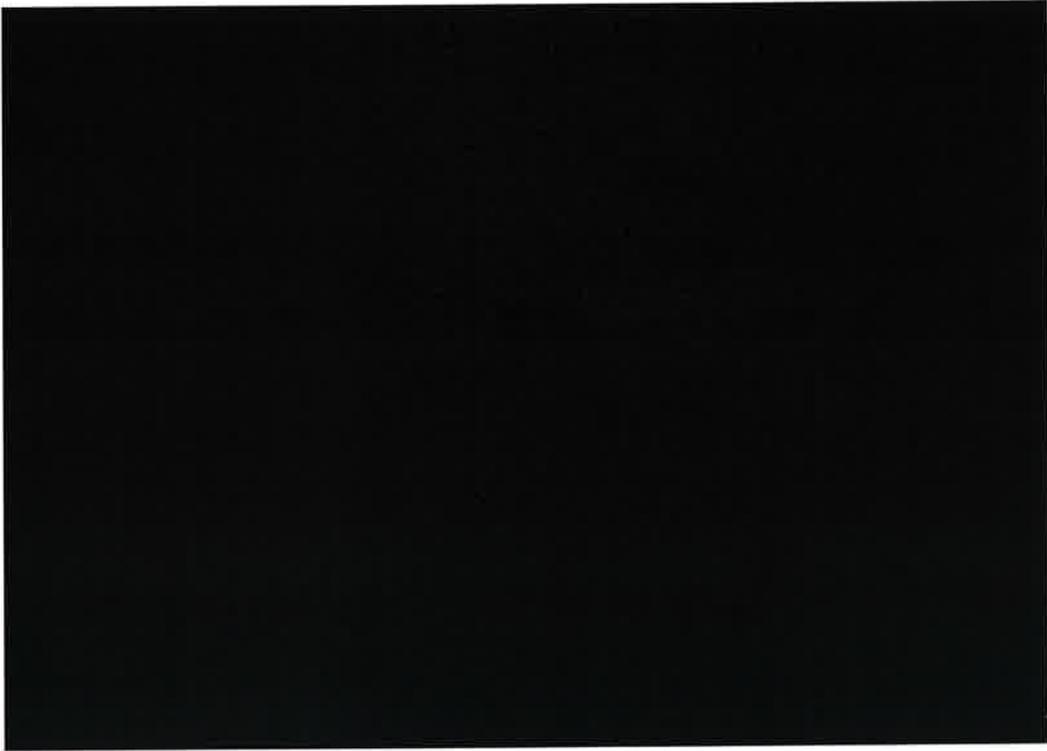


Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 7
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned



Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 7
Information class: Confidential

Restricted access (If applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

1.5 Internal article

[To be updated based on the press release]

Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 7
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

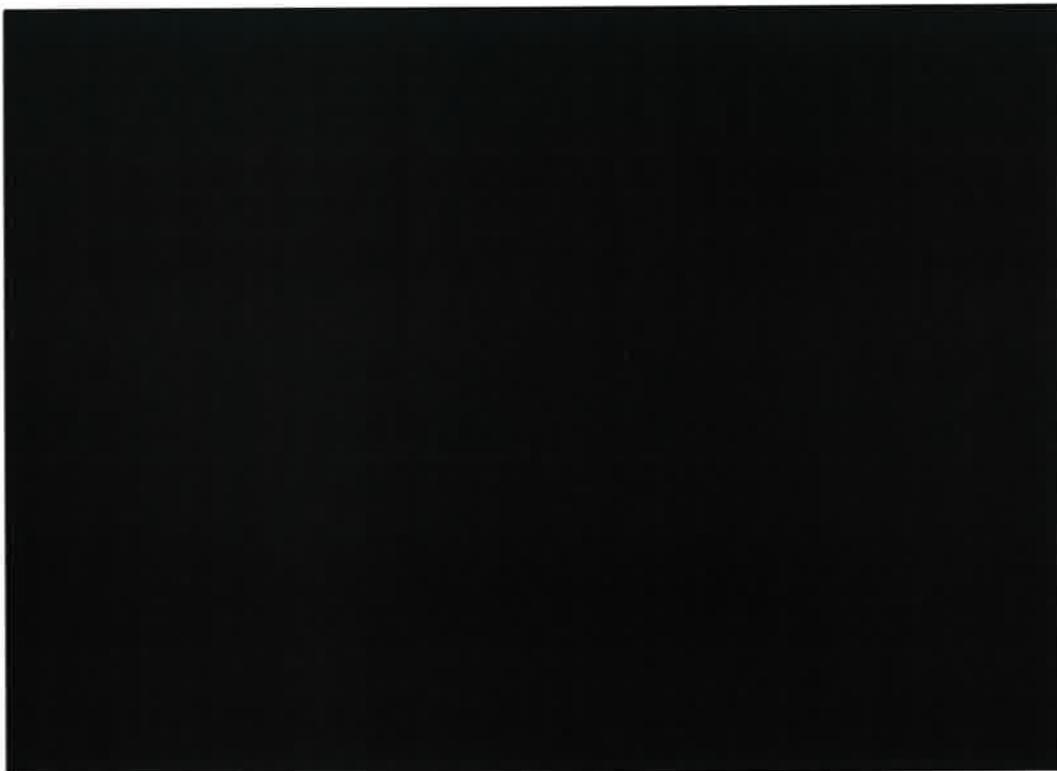
Communication plan – managerial and organisational changes

Version: 10
2019-04-11

1.1 Background

Recent events have shed light on the importance of further strengthening our group capabilities within the area of financial crime. As previously communicated we have decided to further invest in a new internal unit, Anti-Financial Crime (AFC), to focus on finding, preventing and handling criminal activities that are the basis for money laundering.

Being active in four different home markets requires us to have a unified approach on how to manage and prevent financial crime, and ensure that all business areas get the support necessary. A centralised AFC unit will make it possible to gather and distribute information throughout the group and support the group in defining strategies, performing investigations and defining appropriate mitigating actions.

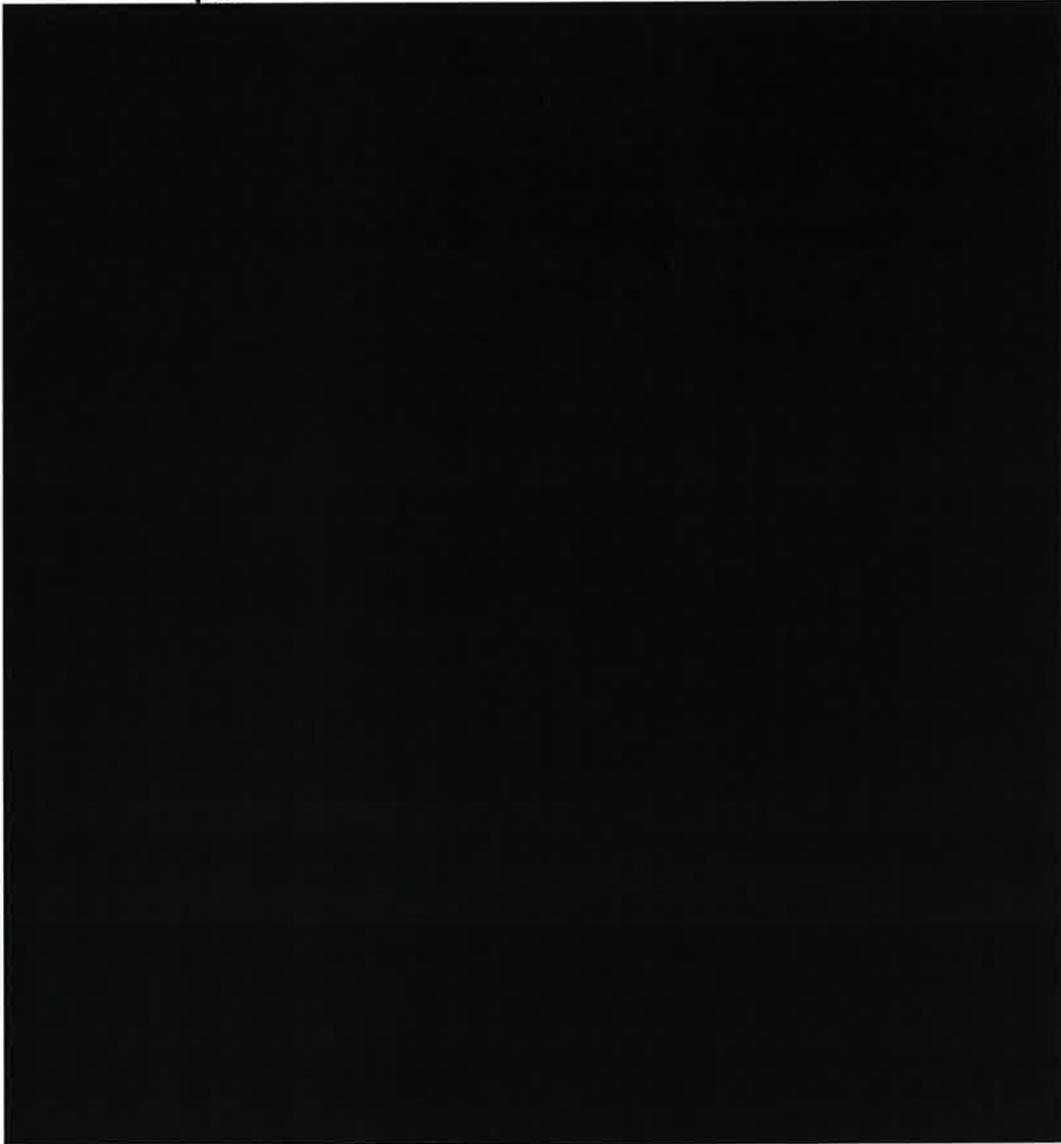


Author/Administrator: Gabriel Francke Rodau
Department:

Specification/Version: 10
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

1.3 Time plan



Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 10
Information class: Confidential

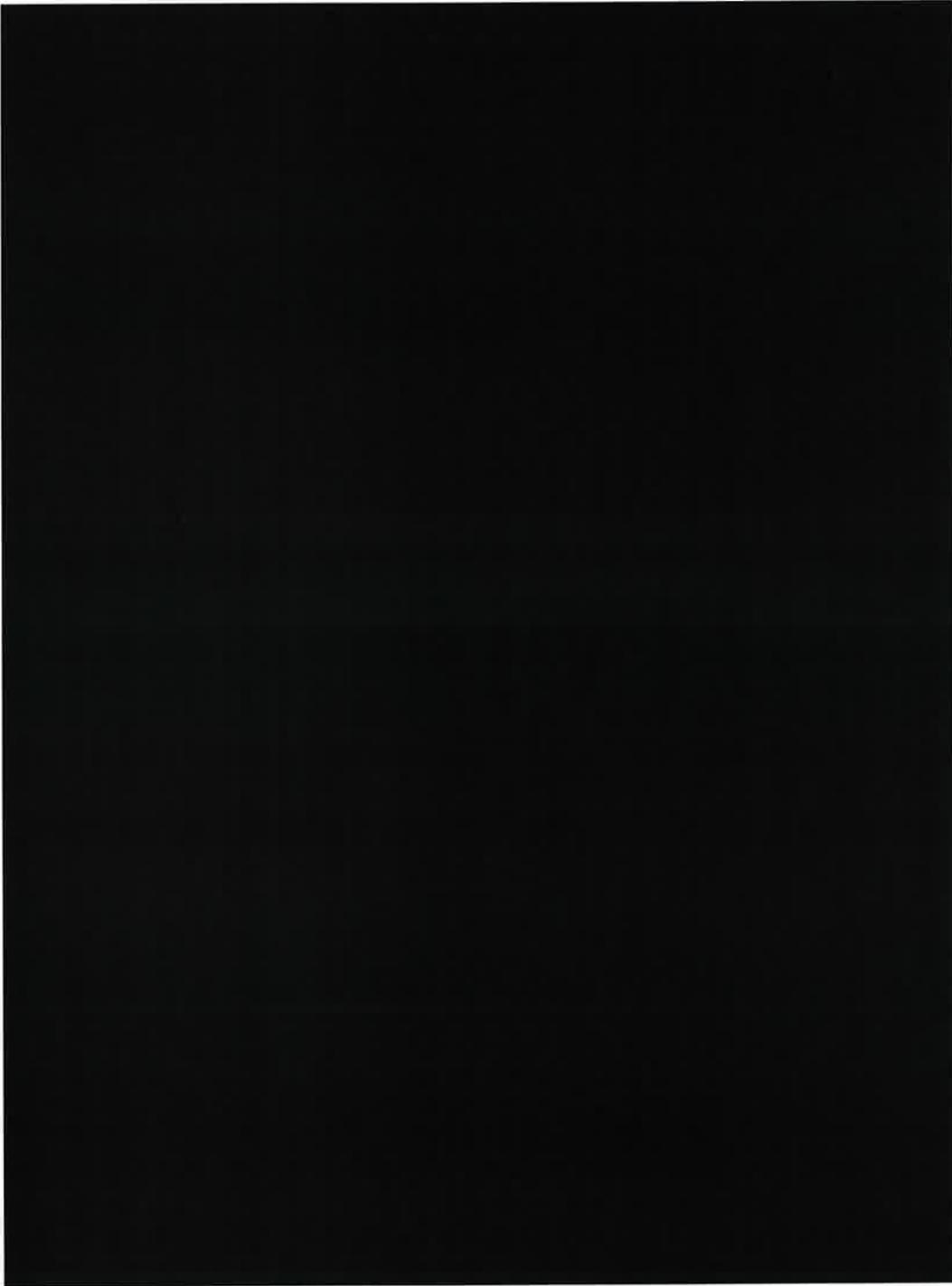
Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

1.4 Press release – English version

Press release

12 April 2019

Swedbank establishes an Anti-Financial Crime unit

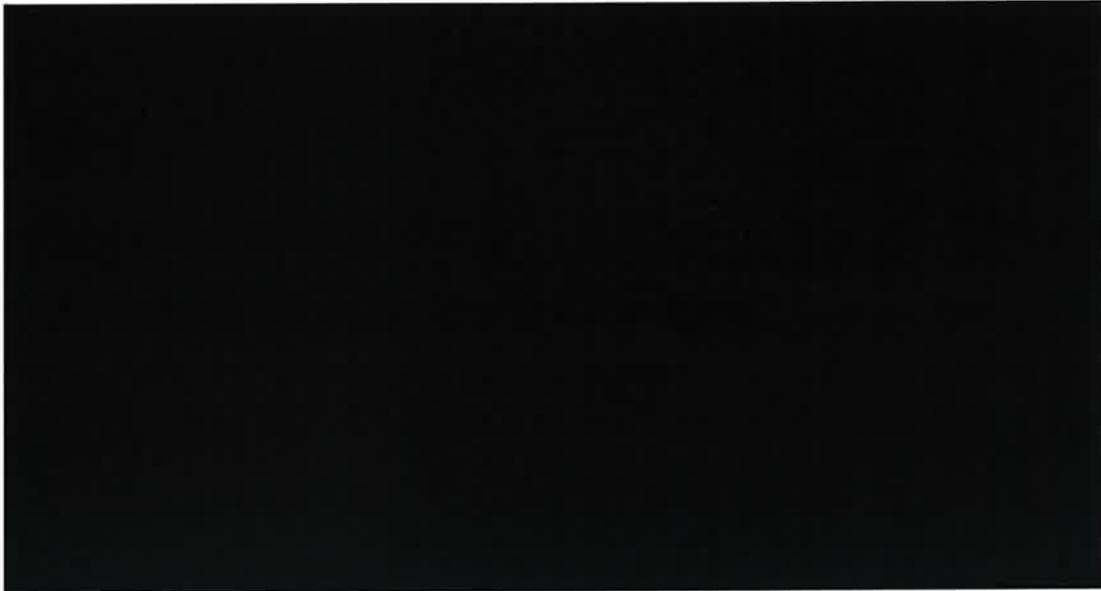


Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 10
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned



Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 10
Information class: Confidential

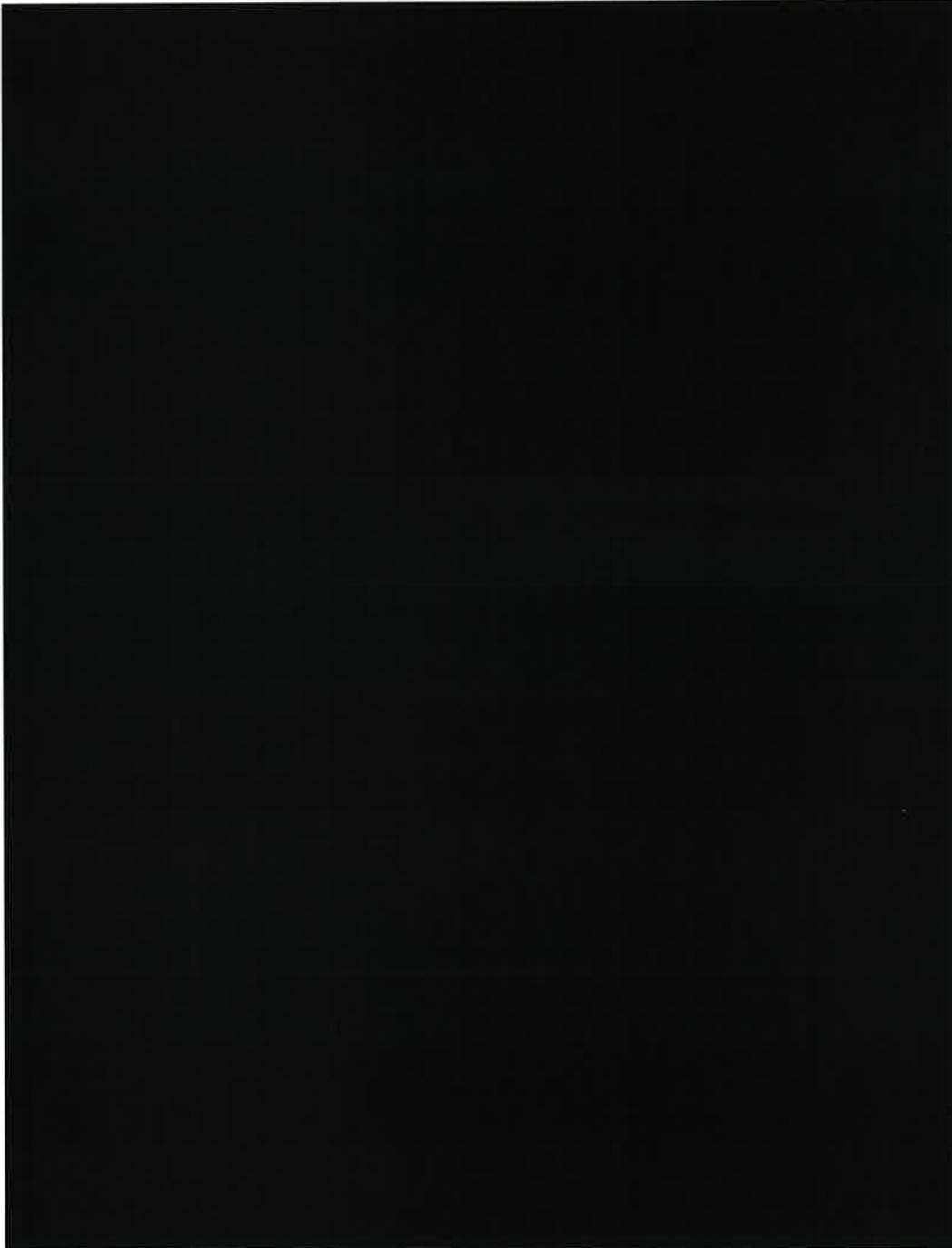
Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

1.5 Press release – Swedish version

Pressmeddelande

12 april 2019

Swedbank etablerar enhet för att bekämpa ekonomisk brottslighet

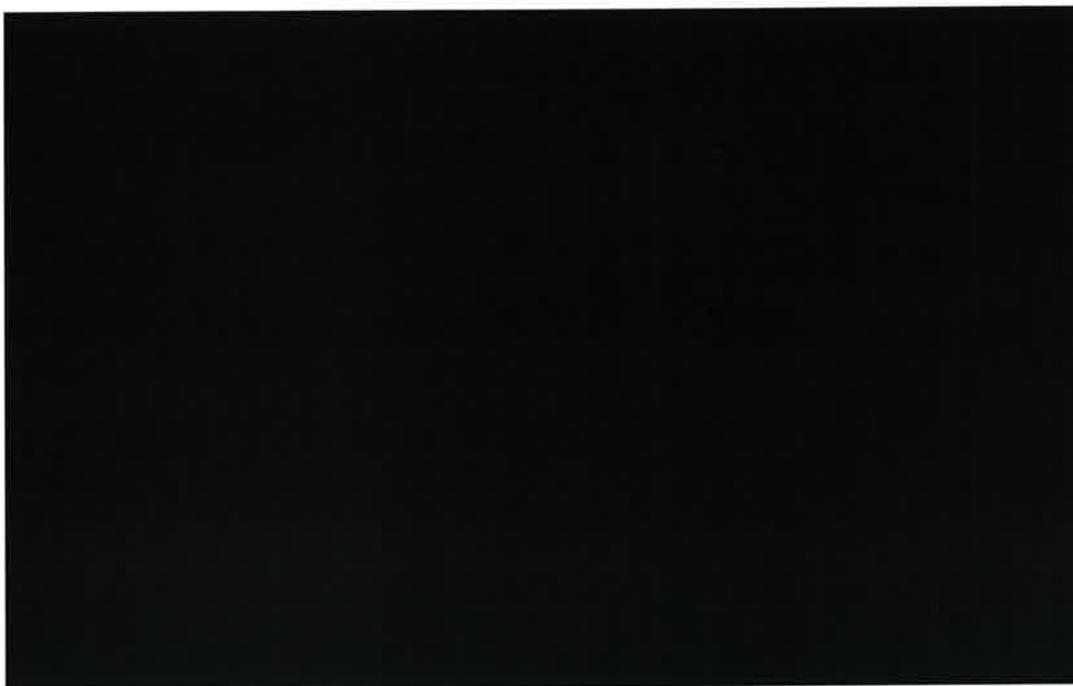


Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 10
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned



Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 10
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

1.6 Internal article

[Should mirror the external announcement]

Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 10
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned



Communication plan – managerial and organisational changes

Version: 18
2019-04-23

1.1 Time plan



Confidential

For Q1 day time plan, please refer to separate document.

1.2 Press release

Press release

25 April, 2019

Swedbank establishes a dedicated Anti-Financial Crime unit and makes changes in Group Executive Committee



Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 18
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned



Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 18
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

Pressmeddelande

25 april 2019

Swedbank etablerar särskild enhet för att bekämpa ekonomisk brottslighet och vidtar förändringar i koncernledningen



Confidential

Author/Administrator: Gabriel Francke Rödsu
Department: Group Communication

Specification/Version: 18
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned



Confiden

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 18
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned

Version 11 (190423)

Vd-kommentar

Årets första kvartal har till stor del präglats av uppgifter om att Swedbank har brutit i arbetet med att förhindra penningtvätt. Bankens anseende har tagit skada och som tillförordnad vd är det min främsta uppgift att nu genomföra åtgärder som gör att vi kan börja återvinna förtroende hos kunder, ägare och andra intressenter.

Tidigare interna utredningar har indikerat brister i Swedbanks arbete mot penningtvätt. Dessa innefattar att vissa kunder har matchats mot listor på personer och företag som förekommit i tidigare penningtvättsfall, brister i kundkänedom kopplad till vissa kunder, exempelvis avseende verkligt ägande och pengars ursprung, samt bristande granskning och rapportering till myndigheter avseende vissa misstänkta transaktioner.

För att gå till botten med vad som hänt pågår nu en fördjupad intern utredning, som ska utnyttja innehållet i tidigare genomförda interna utredningar. Därutöver samarbetar Swedbank fullt ut med de myndigheter i Sverige, USA och de baltiska länderna som genomför olika undersökningar.

Ny enhet för att bekämpa ekonomisk brottslighet
För att förstärka vårt fortsatta arbete mot ekonomisk brottslighet i olika former skapar vi nu en ny koncernövergripande enhet inom banken. Enheten får namnet Anti-Financial Crime unit (AFC) och kommer att arbeta med att motverka penningtvätt, terrorismfinansiering och bedrägerier samt även med cybersäkerhet, informationssäkerhet och fysisk säkerhet. Den nya enheten kommer också att koordinera intern inlämnade utredningar samt se över interna processer och rutiner och har ansvar för samarbetet med ansvariga myndigheter inom området.

Banker spelar en central roll i kampen mot penningtvätt. Det är alla bankers ansvar att känna sina kunder, att rapportera misstänkta transaktioner till myndigheterna och se till att medarbetare följer lagar och regler.

För att Swedbank ska förtjäna förtroende från vår omvärld krävs att vårt arbete mot penningtvätt ständigt förbättras. Över tid har vi löpande stärkt våra metoder. 2016 intensifierades arbetet genom ett särskilt program mot penningtvätt, med särskilt fokus på de baltiska marknaderna. Skärpta rutiner ledde till att många kundförhållanden avvecklades.

Men lika lite som någon annan bankchef kan jag garantera att vårt arbete mot penningtvätt är utan brister. Kapplöpningen med de kriminella pågår hela tiden. De utredningar som nu pågår kommer att ge oss viktiga svar på om vi behöver vidta ytterligare åtgärder. Därtill vill vi också se ett närmare samarbete mellan banker, olika myndigheter och finanspolisen för att bekämpa det samhällsproblem som penningtvätt utgör.

Satsningar för ökat förtroende och kundvärde
Utöver den interna utredningen och den organisatoriska förändringen kommer vi även att göra ett antal omprioriteringar med syfte att förbättra våra processer och öka kundvärdet. Vårt starka finansiella utgångsläge möjliggör satsningar utöver de leveranser vi redan planerat för i år.

Som ett led i arbetet med att förbättra vår bekämpning av penningtvätt kommer vi att påskynda projekt som syftar till att stärka våra processer och system.

Vissa pågående projekt som syftar till att digitalisera vardagliga banktjänster kommer att kosta något mer för att kunna slutföras under året än vad som uppskattades initialt. Vi väljer att fortsätta med dessa i oförändrad takt utifrån vår övertygelse om att satsningarna kommer att öka kundvärdet.

Sammantaget bedöms dessa initiativ leda till ökade kostnader på cirka en miljard kronor under året, utöver vårt redan kommunicerade mål om att underliggande kostnader ska understiga 17 miljarder kronor under 2019. Vårt finansiella mål om en avkastning på eget kapital på minst 15 procent kvarstår.

Starkt finansiellt resultat

I kontrast till förra årets avslutning har marknadsrörelsema varit gynnsamma under årets första kvartal. Globala börser har utvecklats positivt och kreditspreadar har gått ihop. Tillväxtutsikterna har emellertid justerats ned något, delvis som en följd av osäkerheten kring de pågående handelskonflikterna och Brexit-förhandlingarna.

Den goda marknadsutvecklingen har påverkat vårt finansiella resultat positivt. Räntenetto har stärkts till följd av en lägre resolutionsavgift och högre korta marknadsräntor. Vi ser fortsatt god lånetillväxt på alla våra hemmamarknader, men i något lägre takt, framförallt i den svenska bolåneportföljen. Den svenska bolånemarknaden är fortsatt stabil.

Provisionsnetto är säsongmässigt lägre men underliggande har framförallt kapitalförvaltningen levererat ett starkt resultat, med både god värdeutveckling och fortsatta inflöden. Marknadsrörelsema i kvartalet har framförallt stärkt nettoresultatet från finansiella poster till följd av högre aktivitet och positiva värderingseffekter.

Kreditkvaliteten är fortsatt god på alla våra hemmamarknader. Vår kapital- och likviditetsposition är stark med god marginal till Finansinspektionens minimikrav.

Slutligen vill jag rikta ett stort tack till alla medarbetare som under den tuffa period vi har gått igenom har mött oroliga kunder på bästa möjliga sätt och varit goda ambassadörer för banken. Swedbank står stadigt genom våra starka värderingar. Det är på den grunden vi dag för dag bygger en ännu bättre bank.



Anders Karlsson
Tillförordnad verkställande direktör och koncernchef

Commented [EDF1]: Som jag framförde idag, hade det varit önskvärt att ha fått med något om statusen i den svenska verksamheten för att a) undvika fortsatt riskexponering i den delen och b) kunna peka på att vi nämnt det. GDA bekräftar synpunkten och jag vill därför ta upp den igen, även om ni från kommunikationssynvinkel inte tycker det är lämpligt.

CEO Comment

The first quarter of the year was largely characterized by reports of shortcomings in Swedbank's anti-money laundering work. The bank's reputation has been damaged and as acting CEO my highest priority is to implement measures that will enable us to restore trust amongst customers, owners and other stakeholders.

Previous Internal Investigations have indicated shortcomings in Swedbank's anti-money laundering work. These include reports that certain customers have matched against lists of persons and entities mentioned in connection with previously known money laundering cases, weaknesses in KYC connected to certain customers, e.g. relating to beneficial ownership and source of funds, as well as absence of investigations and reports to the authorities on certain suspicious transactions.

In order to get to the bottom of the matter, an in-depth internal investigation is now underway which will use information from previous internal investigations. In addition, Swedbank is fully cooperating with the authorities in Sweden, the U.S. and the Baltic countries in their respective investigations.

A new unit to combat financial crime
In order to strengthen our ongoing work of preventing and combating all aspects of financial crime we are now establishing a new group wide unit within the bank, the Anti-Financial Crime (AFC) unit. AFC will focus on anti-money laundering (AML), counter-terrorism financing and fraud prevention, as well as cyber security, information security and physical security. The new unit will also coordinate internally initiated investigations, review internal processes and routines and manage cooperation with the authorities within the AML area.

Banks play a central role in combating money laundering. All banks are responsible for knowing their customers, for reporting suspicious transactions to the authorities and for ensuring that all employees adhere to laws and regulations.

For Swedbank to deserve the trust of customers, authorities, investors, employees and other stakeholders, continuous improvement in our anti-money laundering work is required. Over the years, we have enhanced our methods continuously. In 2016 our work was intensified through a special anti-money laundering program, with particular focus on the Baltic markets. More stringent procedures led to many customers being off-boarded.

However, no bank executive, me included, can guarantee that all our AML work is flawless. The race against criminals is constantly ongoing. The investigations now underway will provide us with important answers regarding any further measures that we may need to take. In addition, we would also like to see closer collaboration between banks, authorities and the financial police. In order to combat the problem inherent in society that money laundering poses.

Increasing trust and customer value
In addition to internal investigations and the organisational changes, we will make a number of

reprioritisations with the aim to improve our processes and increase customer value. Our strong financial position enables further investments on top of those planned for the year.

As part of the effort to improve our AML work, we will accelerate projects aimed at strengthening our processes and systems.

Some of our ongoing projects that aim to digitize everyday banking services will cost more than initially estimated in order to be completed during the year. Based on our belief that these investments will increase customer value, we have chosen to continue with the projects at the current pace.

Altogether, these initiatives are estimated to increase costs by approximately SEK 1 billion during the year, in addition to our previously communicated goal of keeping underlying expenses below SEK 17 billion in 2019. Our financial goal to generate a return on equity of at least 15 per cent remains.

A strong financial result

In contrast to the end of last year, market movements have been favourable during the first quarter of 2019. Global stock exchanges have developed positively, and credit spreads have tightened. Growth prospects have, however, been revised down, partly as a result of the uncertainty surrounding ongoing trade conflicts and the Brexit negotiations.

The market development has had a positive impact on our financial performance. Net interest income has been strengthened as a result of a lower resolution fund fee and higher short-term market rates. We continue to see a positive loan growth in all our home markets, but at a somewhat lower pace, especially in the Swedish mortgage loan portfolio. The Swedish mortgage market remain stable.

Net commission income is seasonally lower, but asset management has delivered strong earnings, with positive increase in value and continued inflows. The market movements during the quarter have primarily strengthened net profits from financial items as a result of higher activity and positive valuation effects.

Credit quality remains resilient in all our home markets. Our capital and liquidity position is strong with a good buffer to the minimum requirements stated by the Swedish Financial Supervisory Authority.

Lastly, I would like to extend my sincerest thanks to all employees who, during this challenging period, have assisted worried customers in the best possible way and have been excellent ambassadors for the bank. Swedbank stands on solid ground, thanks to our strong values. It is on this foundation we will continue to build an even better bank, day after day.

Anders Karlsson
Acting President and CEO

Communication plan – managerial and organisational changes

Version: 23
2019-04-24



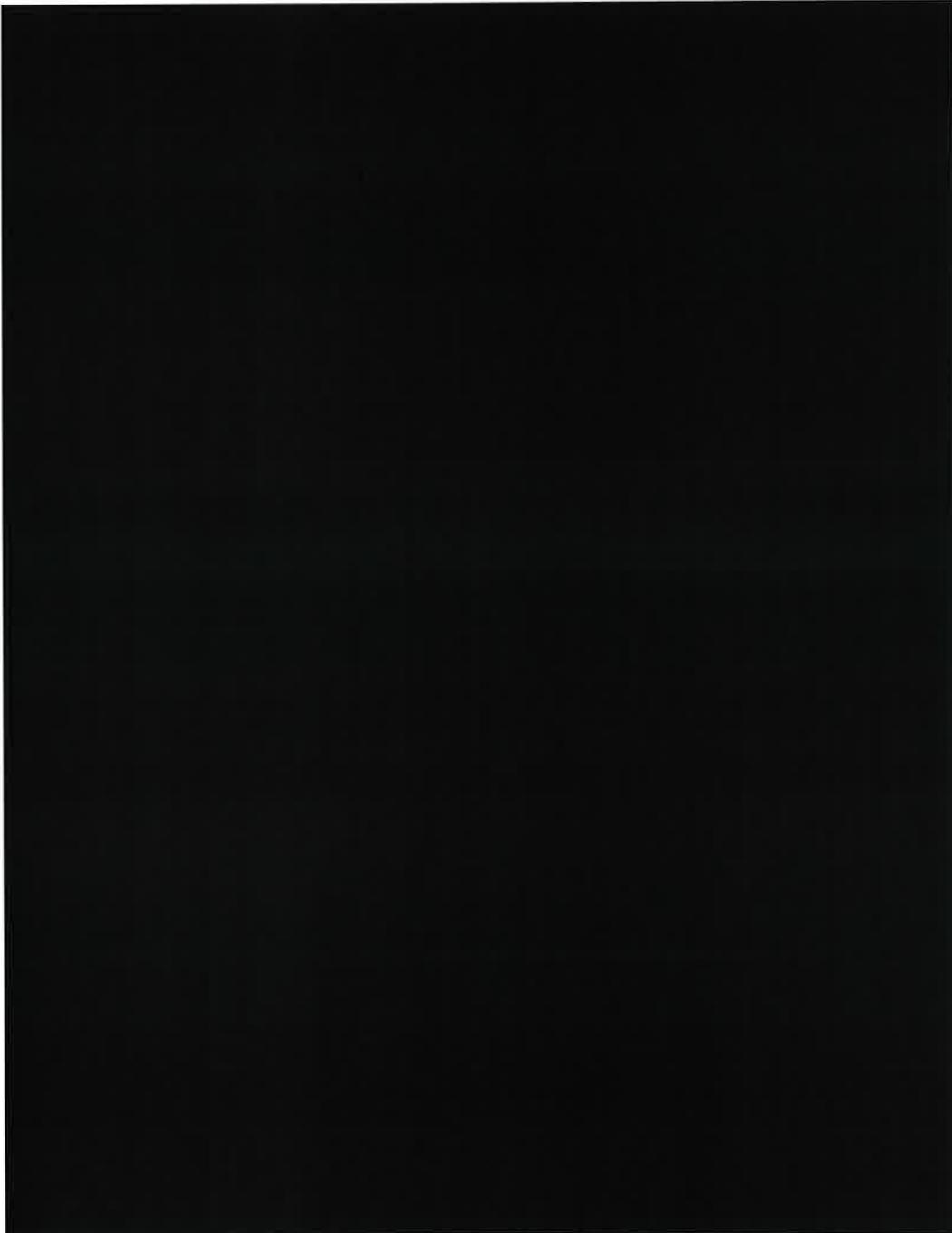
Confidential

1.2 Press release

Press release

25 April, 2019

Swedbank establishes a dedicated Anti-Financial Crime unit and makes changes in Group Executive Committee



Confidential

Author/Administrator: Gabriel Francke Rodau
Department: Group Communication

Specification/Version: 23
Information class: Confidential

Restricted access (if applicable): CEO, Head of Group Communication and others with the permission of the before mentioned



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Pressmeddelande

25 april 2019

Swedbank etablerar särskild enhet för att bekämpa ekonomisk brottslighet och gör förändringar i koncernledningen

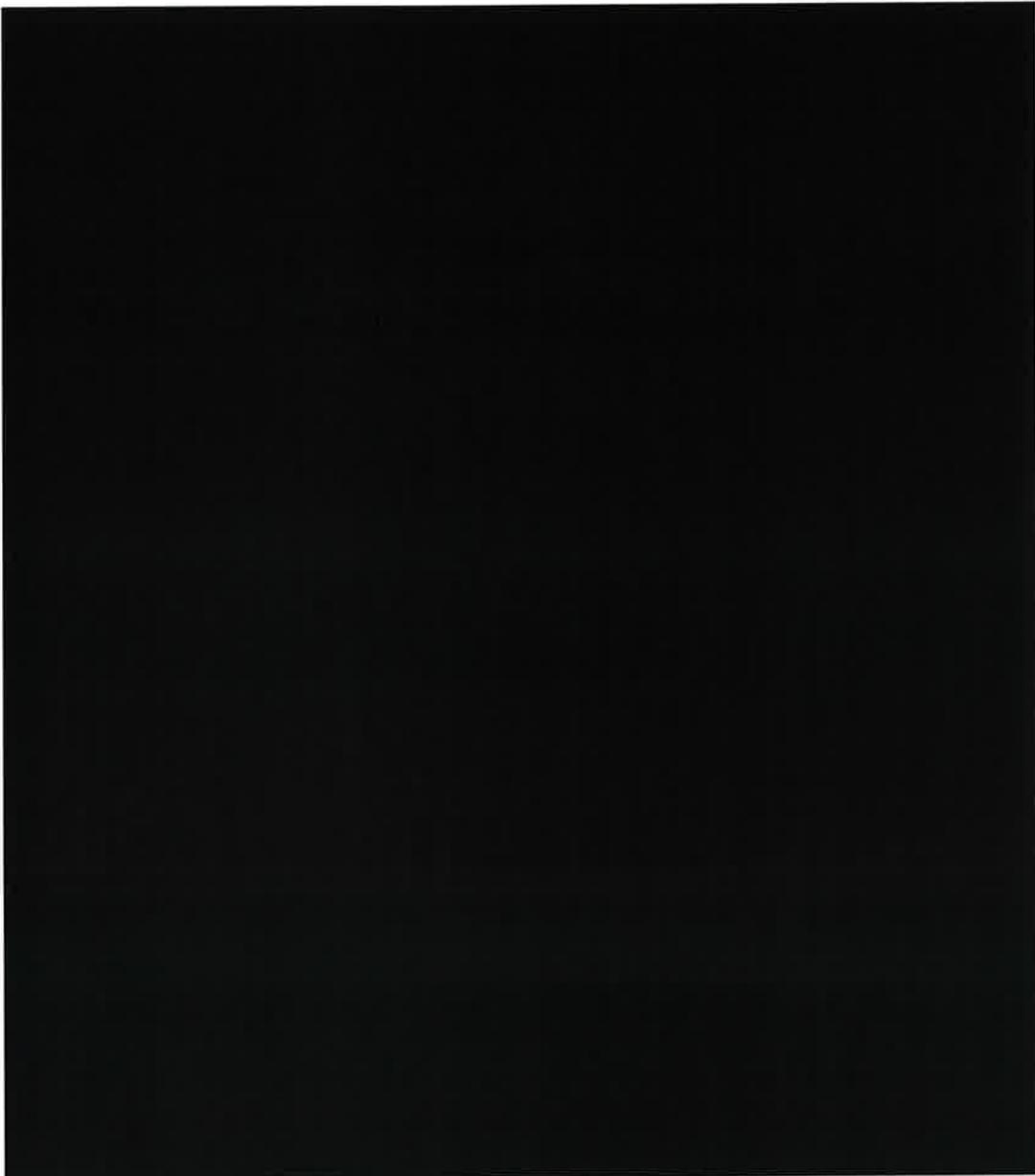


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Department: Group Communication

Specification/Version: 23
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Annika Winther

From: Eva De Falck
Sent: den 8 maj 2019 09:03
To: Annika Winther
Subject: FW: MAR-mötet på onsdag
Attachments: cid_2878988[1].pdf; ToR CMI.pdf

From: Eva De Falck
Sent: den 7 maj 2019 21:48
To: Eva De Falck
Subject: FW: MAR-mötet på onsdag

From: Eva De Falck
Sent: den 7 maj 2019 17:02
To: Gabriel Francke Rodau; Tomas Hedberg; Gregori Karamouzis
Subject: FW: MAR-mötet på onsdag

Se nedan och bif. Lite tankar runt CMI framåtriktat.

Mvh
Eva

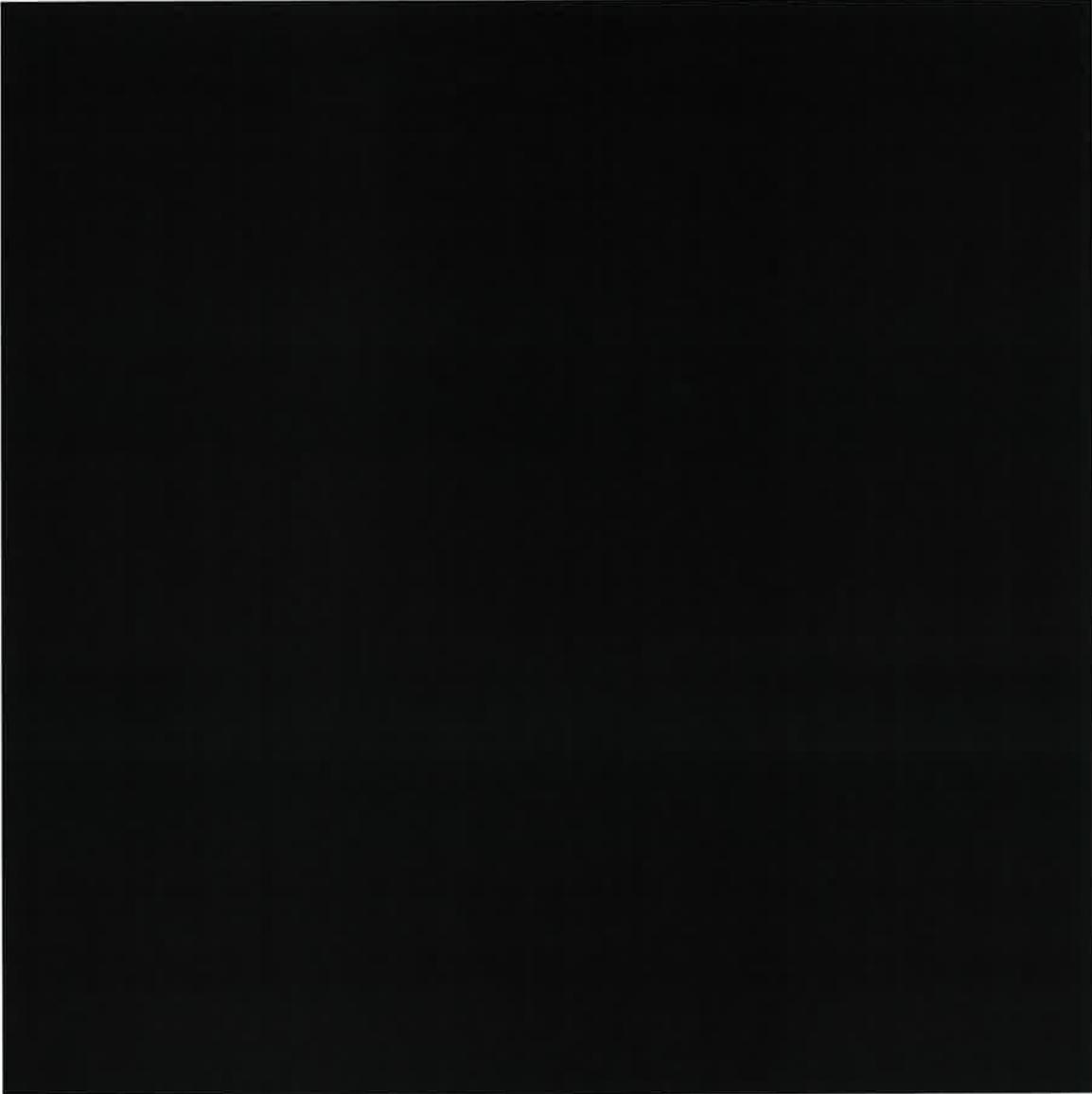
From: Eva De Falck
Sent: den 7 maj 2019 13:01
To: Anders Karlsson; 'Biorn Riese'
Cc: Åsa Andersson; Alexandra Kaijser
Subject: MAR-mötet på onsdag





Mvh
Eva

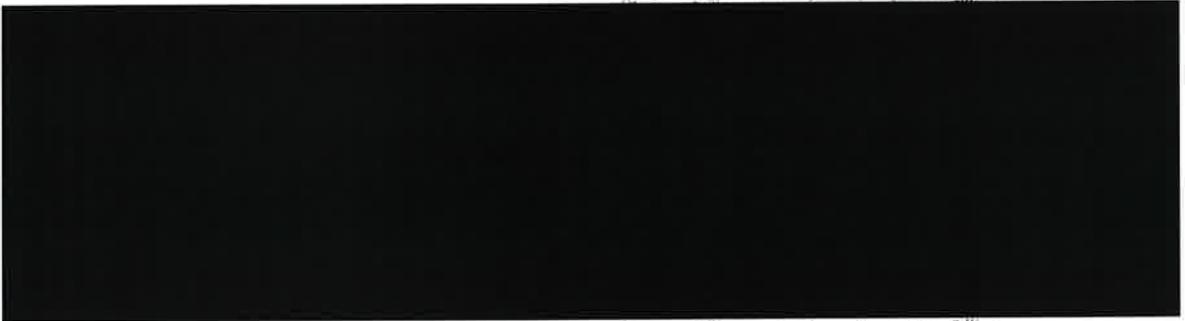
Hantering av insiderlistor



Appendix 5.2 (i)

Terms of Reference for the Council on managing Inside Information (CMI)

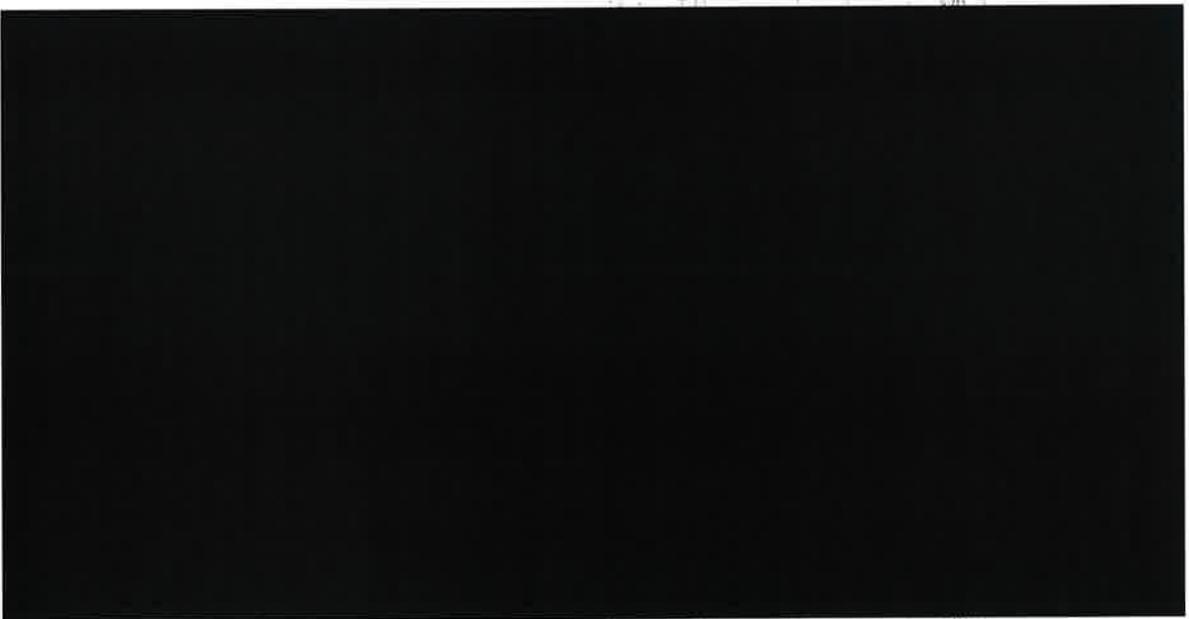
1. General Purpose and Authority



2. Composition etc.



3. Scope and duties





4. Decision-making rules



5. Meetings



6. Minutes





Styrelseprotokoll 17 juli 2018

Myndighet
Ekobrottsmyndigheten

Enhet
Stockholm FMK

Signerat av

Signerat datum

Diarienum
9000-K822-19

Originalhandlingens förvaringsplats

Datum

2020-06-08

Tid

09:15

Involverad personal

Ann-Christin Sandén

Funktion

Uppgiftslämnare

Berättelse

Styrelseprotokoll 17 juli 2018, från utredning 9000-K564-19, beslag 2019-9000-BG297-17.



Minutes

INTERNAL AND CONFIDENTIAL

Author Eva de Falck	Date 17 July 2018	Page 1 (20)
Specification The Board of Directors – Swedbank AB	Identification S 09/18	

Present:

- Lars Idermark, Chair
- Ulrika Francke, vice Chair
- Bodil Eriksson
- Mats Granryd
- Bo Johansson
- Anna Mossberg
- Peter Norman
- Annika Poutiainen
- Siv Svensson
- Magnus Ugglå

Roger Ljung
Camilla Linder

Birgitte Bonnesen, CEO
Anders Karlsson, CFO
Eva de Falck, Secretary of the Board of Directors

Carina Strand, Head of Group HR	§ 4c
Cecilia Hernqvist, Chief Compliance Officer	§ 5
Helo Meigas, CRO	§ 6
Lars-Erik Danielsson, CCO	§ 7
Ingrid Harbo, Chief Audit Executive	§ 9
Patrick Honeth, Deloitte	§ 10

Apologies of absence:

Date: 17 July 2018

Venue: Swedbank Head Office, Landsvägen 40, Sundbyberg, Sweden

§ 1 OPENING OF THE MEETING

The Chair, Lars Idermark, opened the meeting and welcomed everybody. It was noted that all presentations shown at the meeting will be uploaded on Directors Desk directly after the meeting.

The Chair, Lars Idermark informed that the Board evaluation for 2018 will be made in late August.



Minutes

INTERNAL AND CONFIDENTIAL

Author Eva de Falck	Date 17 July 2018	Page 2 (20)
Specification The Board of Directors – Swedbank AB	Identification S 09/18	

In addition to the written inquiry, Lars Idermark will have an interview with each one of the Board members. The result will be presented at the August Board meeting.

§ 2 CONFLICT OF INTEREST TO REPORT AS REGARDS ANY OF THE ITEMS ON TODAY'S AGENDA



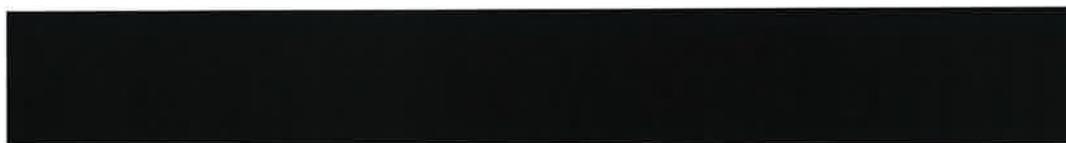
§ 3 APPROVAL OF THE MINUTES



§ 4 CEO UPDATE

§ 4a CEO REPORT

The CEO, Birgitte Bonnesen, referred to the CEO report that had been sent out prior to the meeting and briefly commented some of the items in the report.



Danske Bank in Estonia is suspected to have been used for money laundering amounting to billions of DKK with connection to Russia and in addition suspected to have been involved in illegal arms trade to North Korea and Iran. In light of this news, Swedbank is looking into transactions and other links, if any, to Danske Bank in Estonia.



Since everyone had read the CEO report, Birgitte Bonnesen asked whether anyone had any questions or comments as to the report.



Minutes

INTERNAL AND CONFIDENTIAL

Author Eva de Falck	Date 17 July 2018	Page 3 (20)
Specification The Board of Directors – Swedbank AB	Identification S 09/18	

[REDACTED]

[REDACTED]

The Chair, Lars Idermark, thanked Birgitte Bonnesen for the update.

§ 4b CENTRAL BANKS

[REDACTED]

§ 4c HR UPDATE

§ 4c i REMCO SUMMARY

[REDACTED]

§ 4c ii EKEN AND IP; Q2 2018 PROPOSED ALLOCATION

[REDACTED]

§ 4c iii IP; Q2 RISK ASSESSMENT

[REDACTED]



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§ 4c iv. EKEN AND IP; TERMS AND CONDITIONS 2018





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§ 4c v. MATERIAL RISK TAKERS 2018



§ 4c vi. SALARY CHANGE FOR GEC MEMBERS

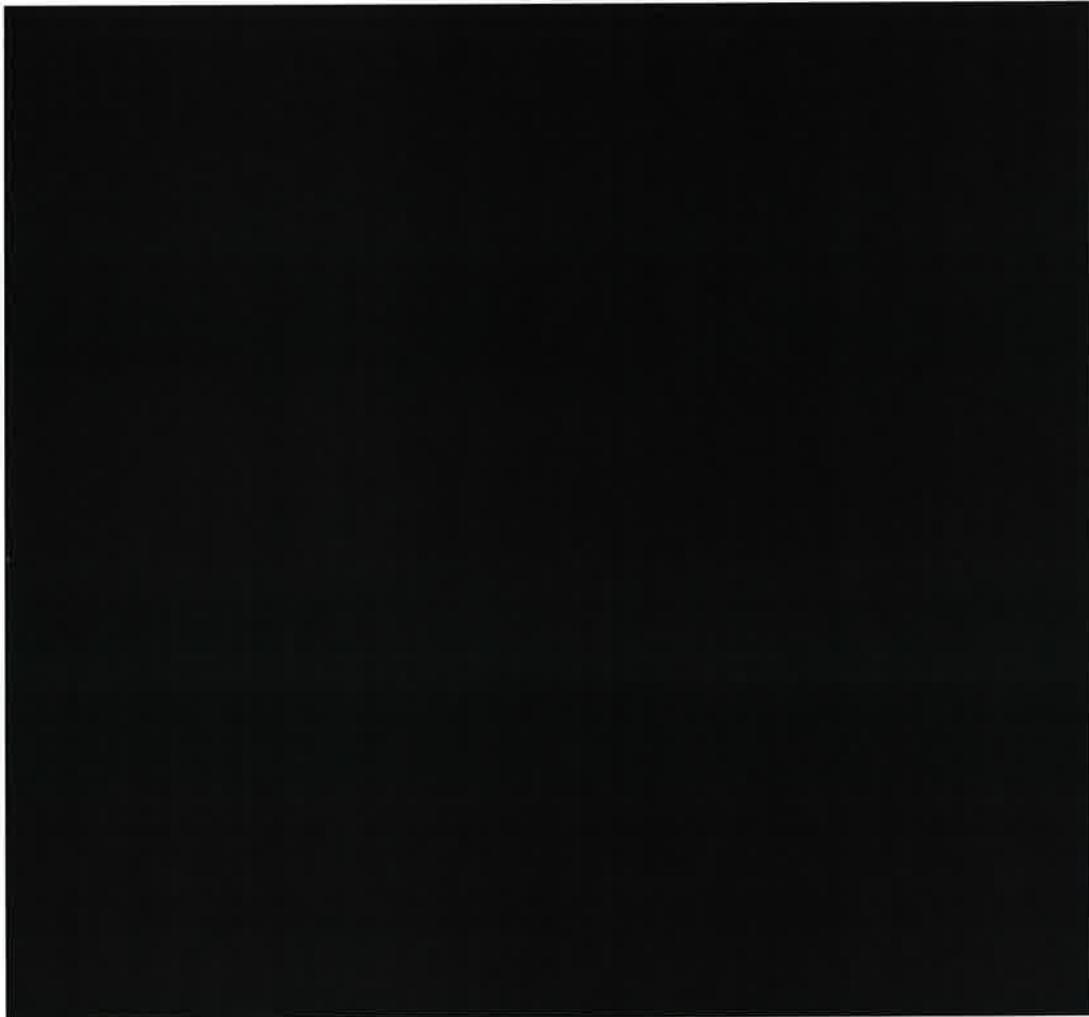




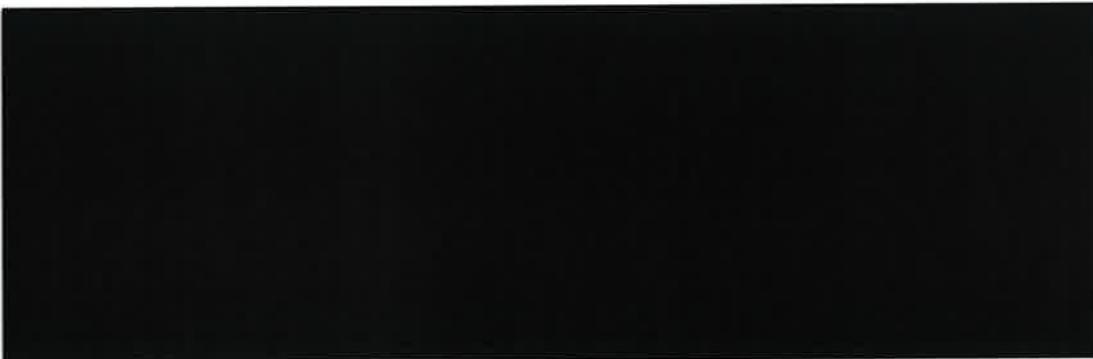
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§ 4c vii. SWEDBANK BALTIC PENSION PLAN





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§ 4c viii. CEO TARGETS; Q2 2018 FOLLOW UP



§ 4c ix. AGREEMENT WITH RELATED PARTY





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§ 5 COMPLIANCE UPDATE

§ 5 a COMPLIANCE REPORT Q2 2018 INCLUDING REGULATORY WATCH AND REGULATORY CONTACTS





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The Chair, Lars Idermark, thanked Cecilia Hernqvist for the presentation and the Board of Directors made a note of the Compliance report for Q2 2018.

§ 6 CRO UPDATE

§ 6a RISK AND CAPITAL COMMITTEE SUMMARY



§ 6b CRO REPORT





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§ 6c SUPERVISORY REVIEW AND EVALUATION PROCESS (SREP) – PRELIMINARY RESULTS





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§ 7 CCO UPDATE

§ 7a CREDIT DECISIONS

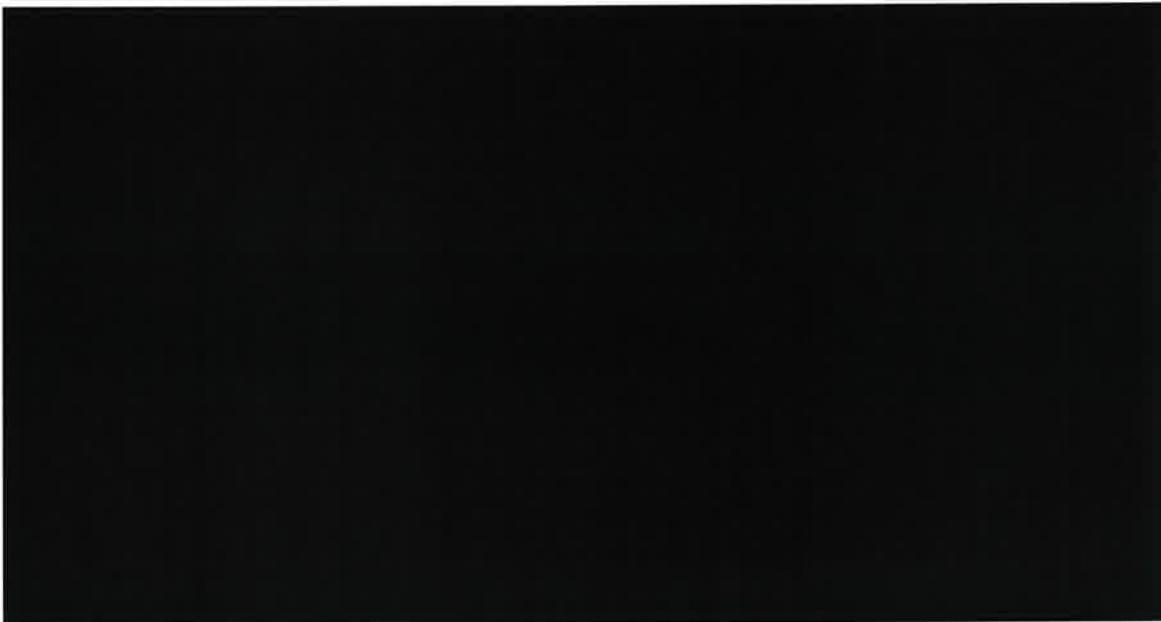




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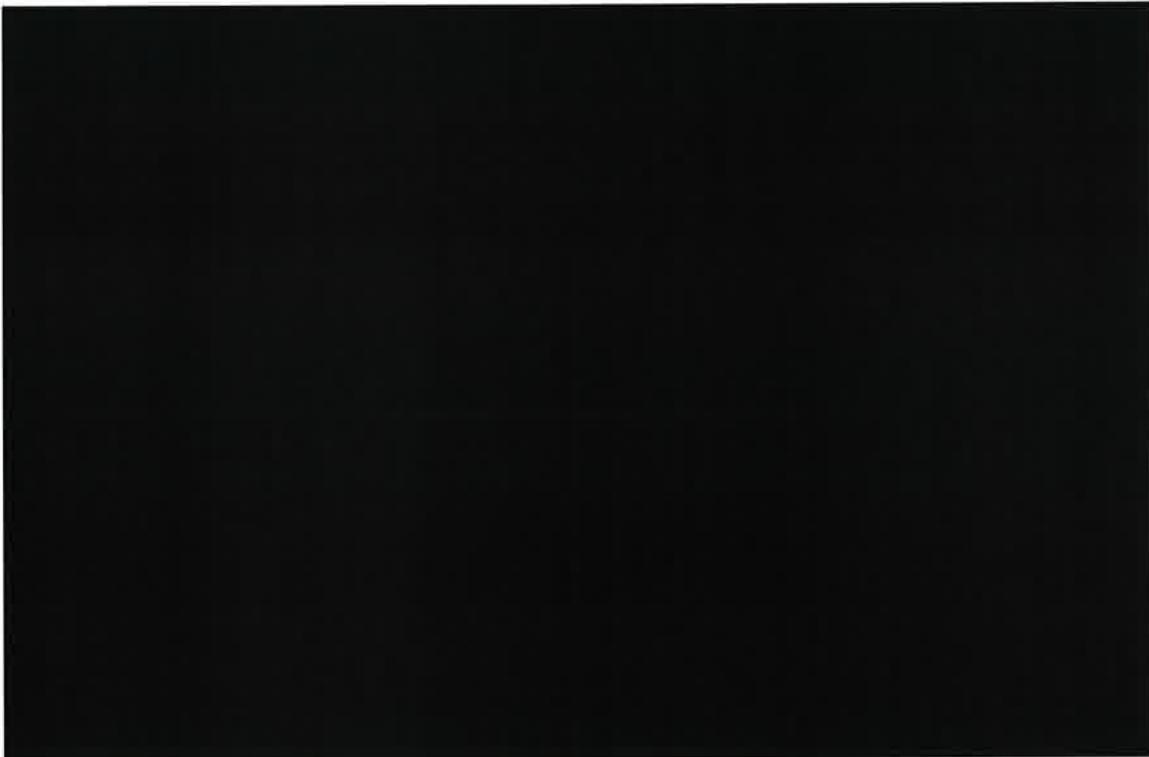
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§ 7b

CREDIT DECISION WITH RELATED PARTIES





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§ 8 CFO UPDATE

§ 8a CFO REPORT INCLUDING PRESENTATION OF THE DRAFT FINANCIAL REPORT
SECOND QUARTER 2018

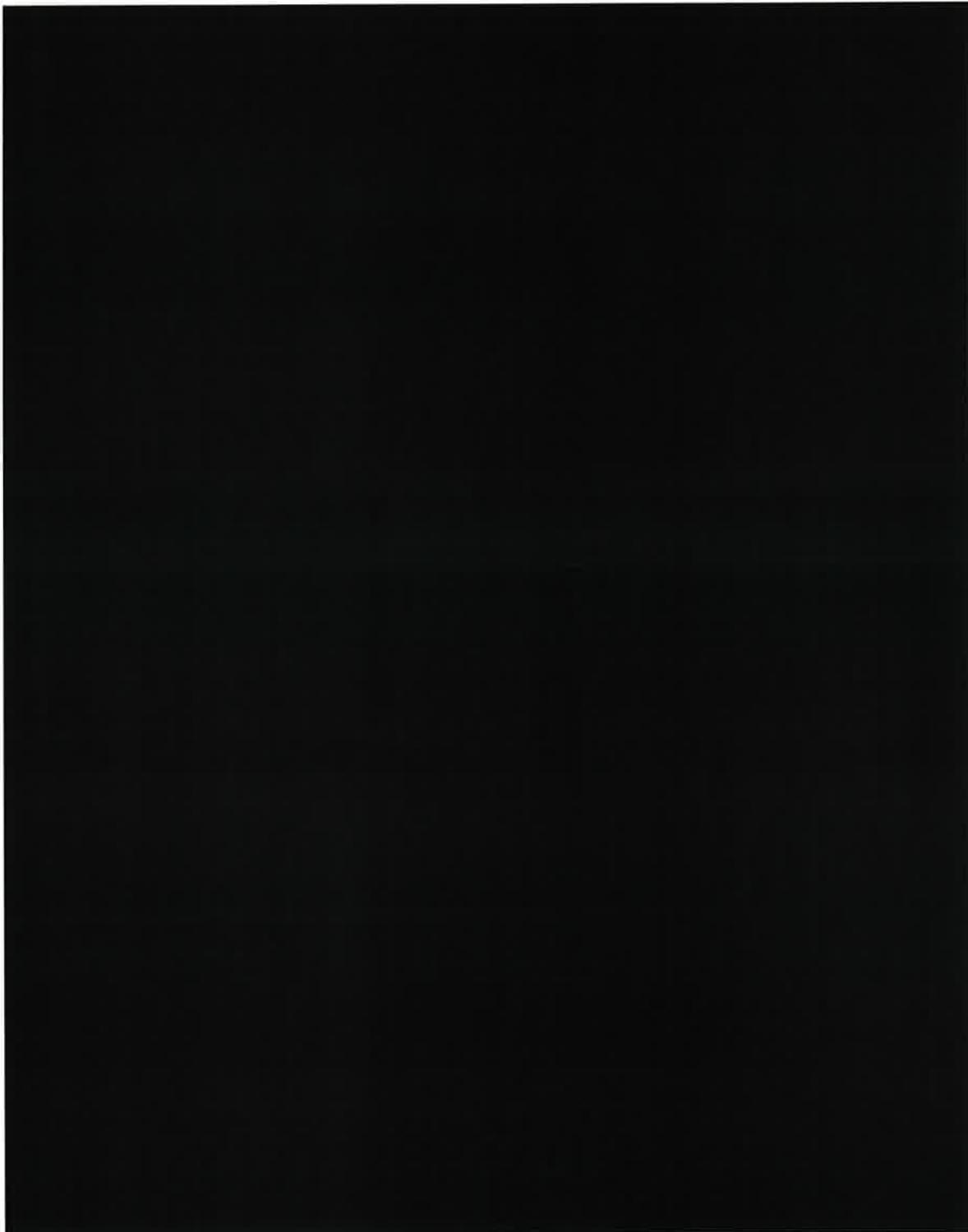




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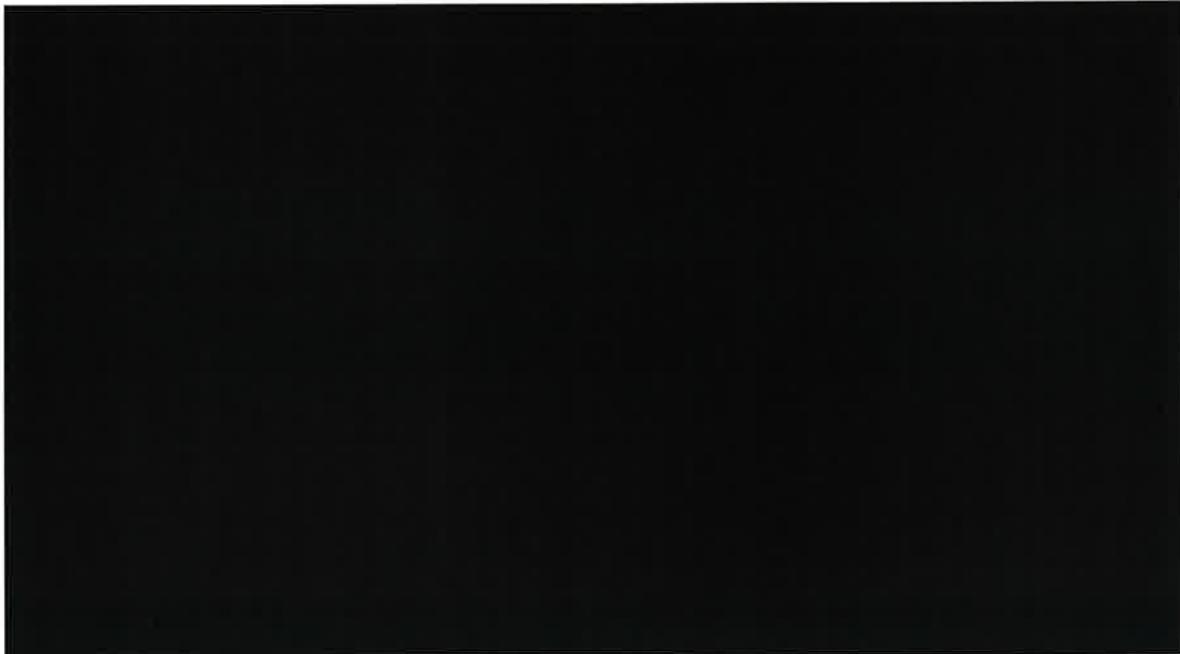




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§ 9 GROUP INTERNAL AUDIT UPDATE

§ 9a AUDIT COMMITTEE SUMMARY



§ 9b GROUP INTERNAL AUDIT REPORT; Q2 2018

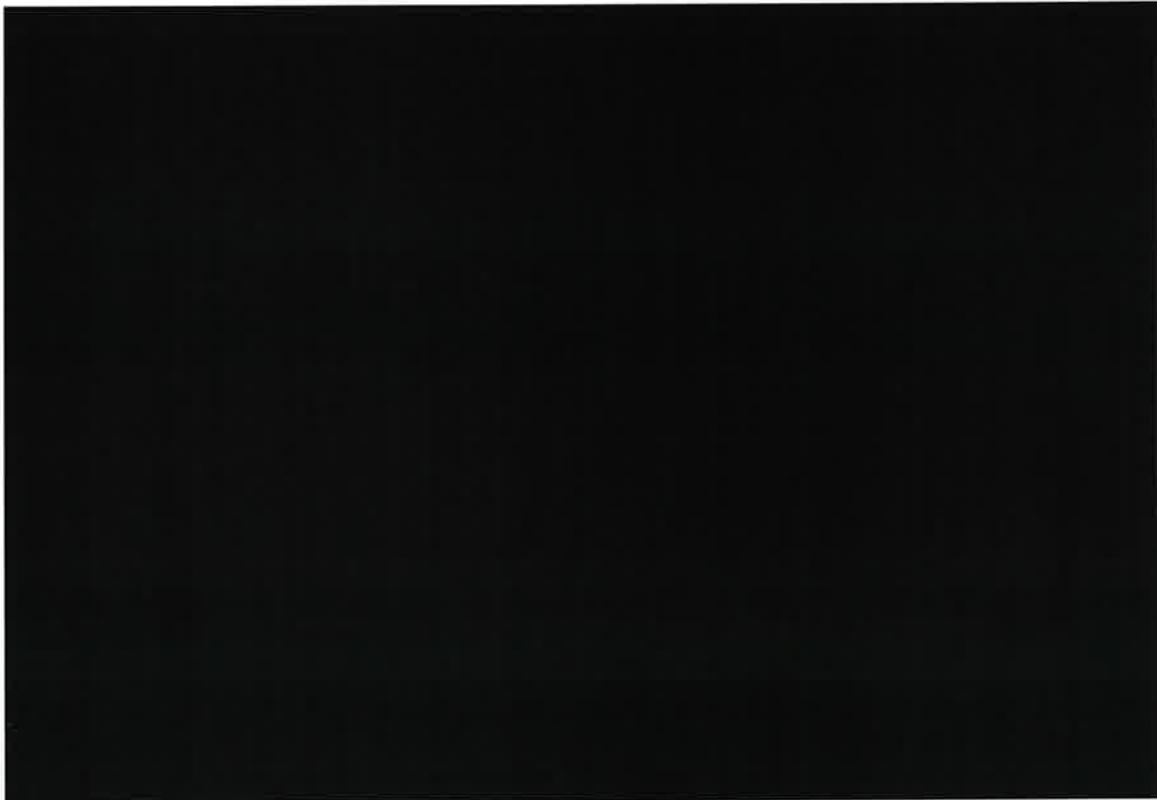




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§ 10 EXTERNAL AUDITOR'S OPINION ON THE BANK

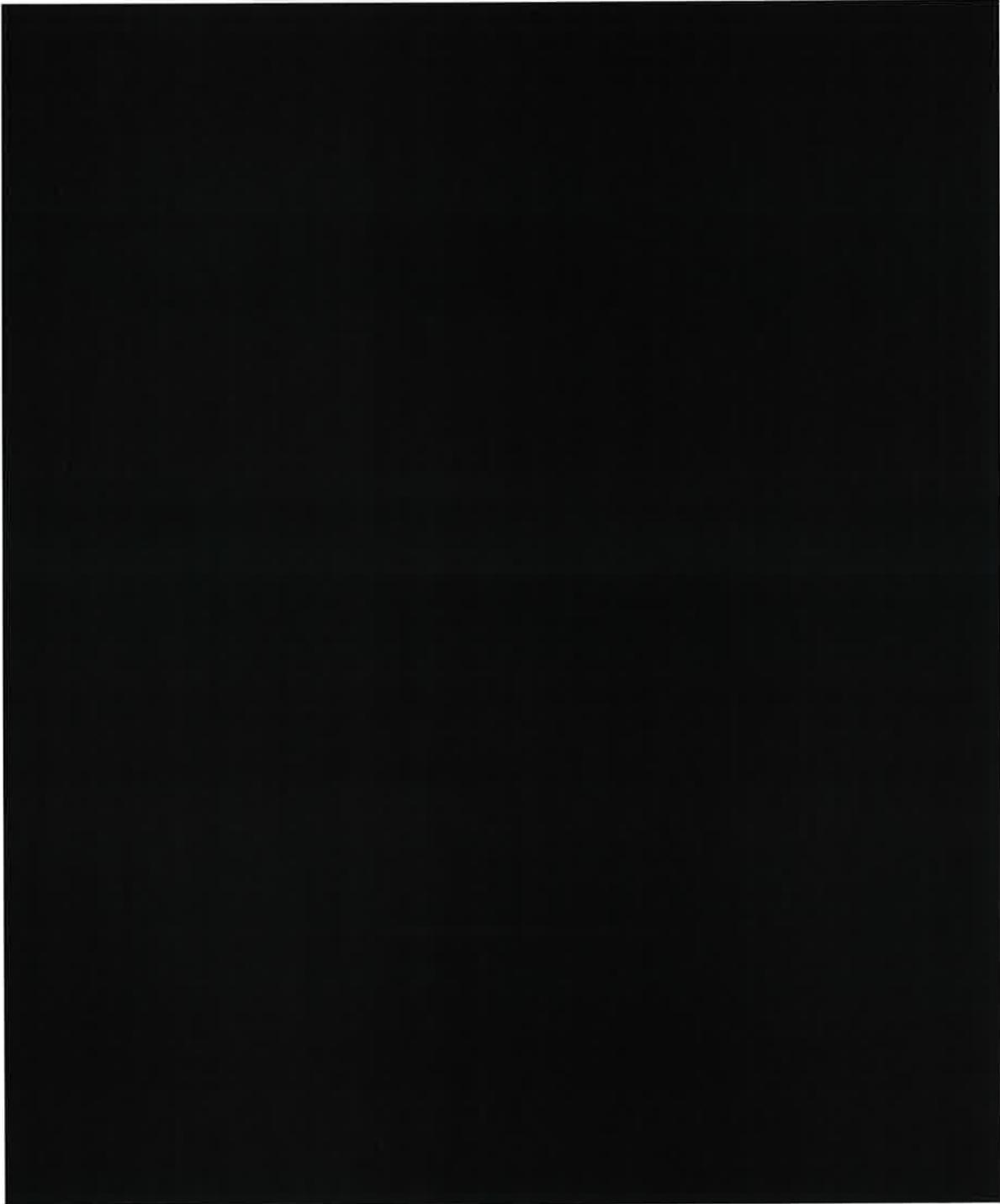




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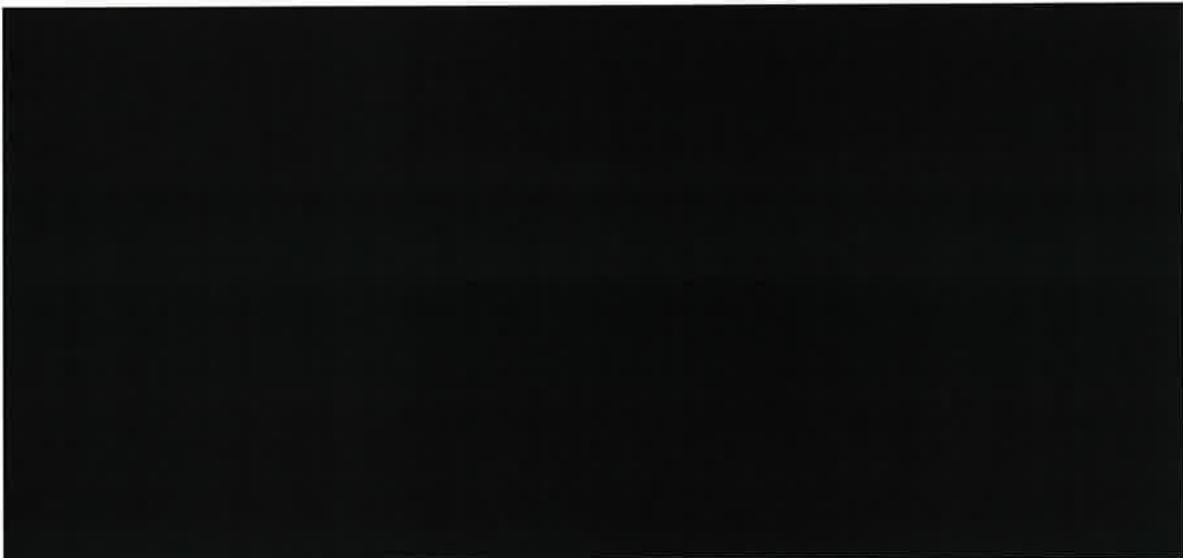
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§ 11 **DECISION ON THE FINANCIAL REPORT FOR Q2 2018**



§ 12 **ANNUAL REVIEW AND ADOPTION OF POLICIES**



§ 13 **ADOPTION OF THE BOARD OF DIRECTORS INSTRUCTIONS TO AC, RCC AND REMCO**

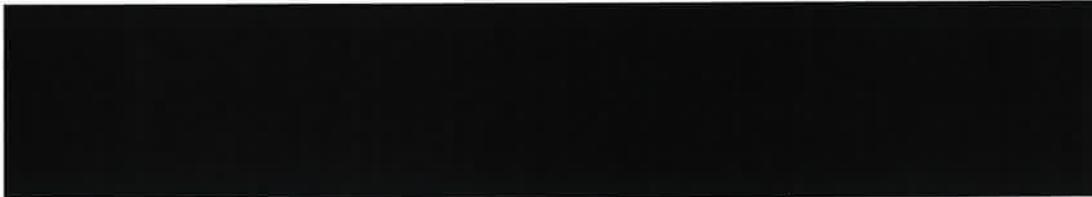




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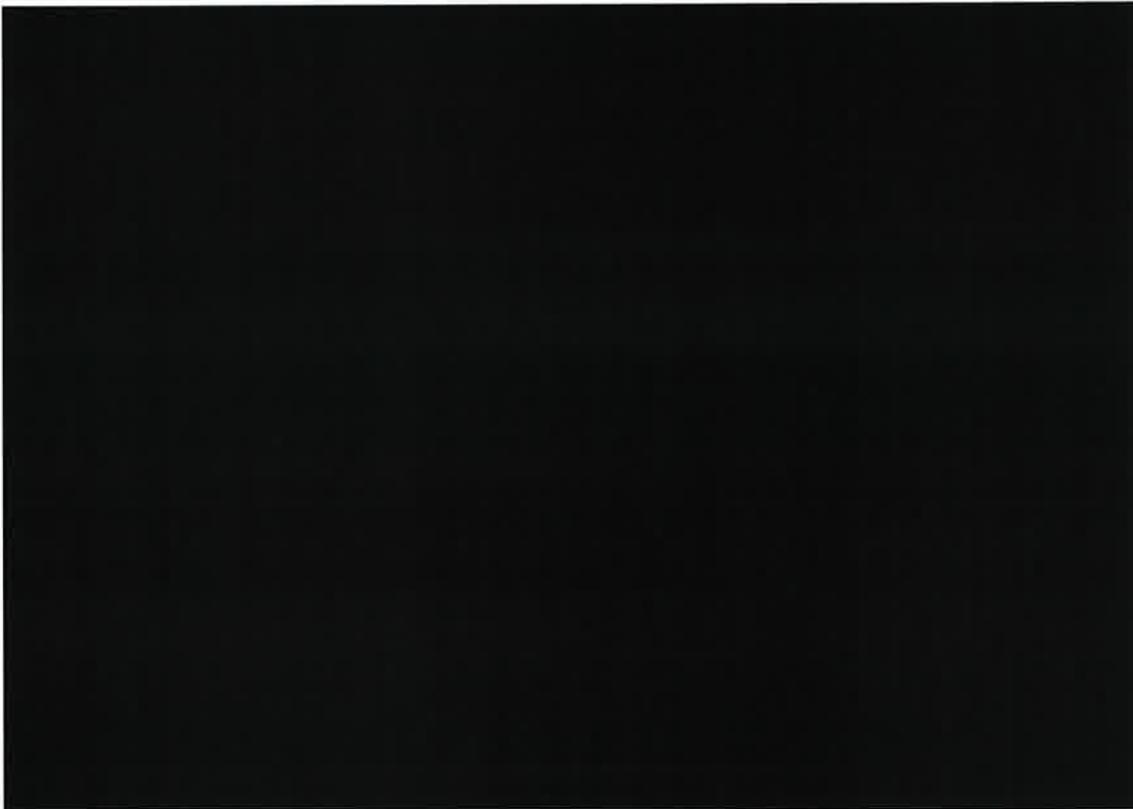
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§ 14 REPORTING AND FORMAL MATTERS

§ 14a SIGNATORY POWERS



§ 14b PENDING MATTERS



§ 14c BOARD TRAINING PLAN





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§ 14d BOARD ANNUAL PLAN



§ 15 ANY OTHER BUSINESS



§ 16 NEXT MEETING THURSDAY 30 AUGUST 2018



§ 17 CLOSING OF THE MEETING



Minutes kept by:

Eva de Falck

Checked by:

Lars Idermark

Ulrika Francke



Styrelseprotokoll 27 september 2018

Myndighet
Ekobrottsmyndigheten

Enhet
Stockholm FMK

Signerat av

Signerat datum

Diarienum
9000-K822-19

Originalhandlingens förvaringsplats

Datum
2020-06-08

Tid
09:26

Involverad personal

Ann-Christin Sandén

Funktion

Uppgiftslämnare

Berättelse

Styrelseprotokoll 27 september 2018, från utredning 9000-K564-19, beslag
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Present: Lars Idermark, Chair
Ulrika Francke, vice Chair
Bodil Eriksson
Bo Johansson
Anna Mossberg
Peter Norman
Annika Poutlainen
Siv Svensson
Magnus Ugglå

Camilla Linder
Åke Skoglund

Birgitte Bonnesen, CEO
Anders Karlsson, CFO
Eva de Falck, Secretary of the Board of Directors

Lotta Lovén, Head of Digital Banking	§ 4c
Lija Strasuna, Chief Economist, Latvia	§ 4d
Helo Melgas, CRO	§ 5
Lars-Erik Danielsson, CCO	§ 6
Göran Råckle, Head of Real Estate Analysis	§ 6a
Cecilia Hernqvist, Head of Group Compliance	§ 10
Stefan Frisk, deputy General Counsel	§ 10
Niclas Rockborn, Gernandt & Danielsson	§ 10

Apologies of absence: Mats Granryd
Roger Ljung

Date: 27 September 2018

Venue: Swedbank Head Office, Landsvägen 40, Sundbyberg, Sweden

§ 1 OPENING OF THE MEETING

The Chair, Lars Idermark, opened the meeting and welcomed everybody. It was noted that all presentations shown at the meeting will be uploaded on Directors Desk directly after the meeting.

The Chair also welcomed Åke Skoglund to his first meeting with the Board of Directors.



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Item § 4c, Open Banking and data aggregation, was postponed until after lunch due to the need of Lotta Lovén's attendance in another meeting, however this will not be reflected in these minutes.

§ 2 CONFLICT OF INTEREST TO REPORT AS REGARDS ANY OF THE ITEMS ON TODAY'S AGENDA



§ 3 APPROVAL OF THE MINUTES



§ 4 CEO UPDATE

§ 4a CEO REPORT

The CEO, Birgitte Bonnesen, referred to the CEO report that had been sent out prior to the meeting and asked whether anyone had any comments or questions as to the report.





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[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

The Chair, Lars Idermark, thanked Birgitte Bonnesen for the update.



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§ 4b CENTRAL BANKS



§ 4c OPEN BANKING AND DATA AGGREGATION

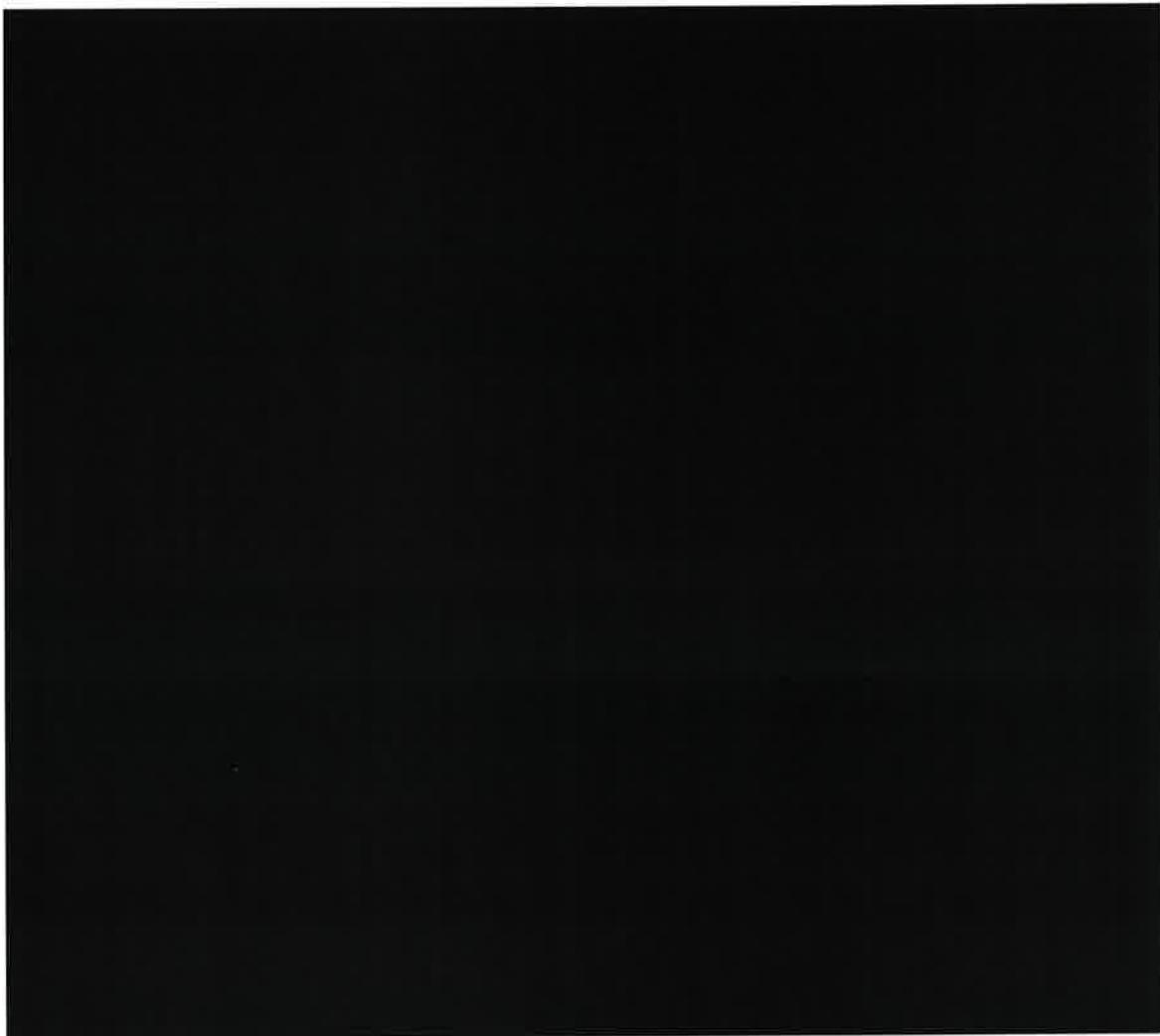




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§ 4d

SUSTAINABILITY INDICATORS

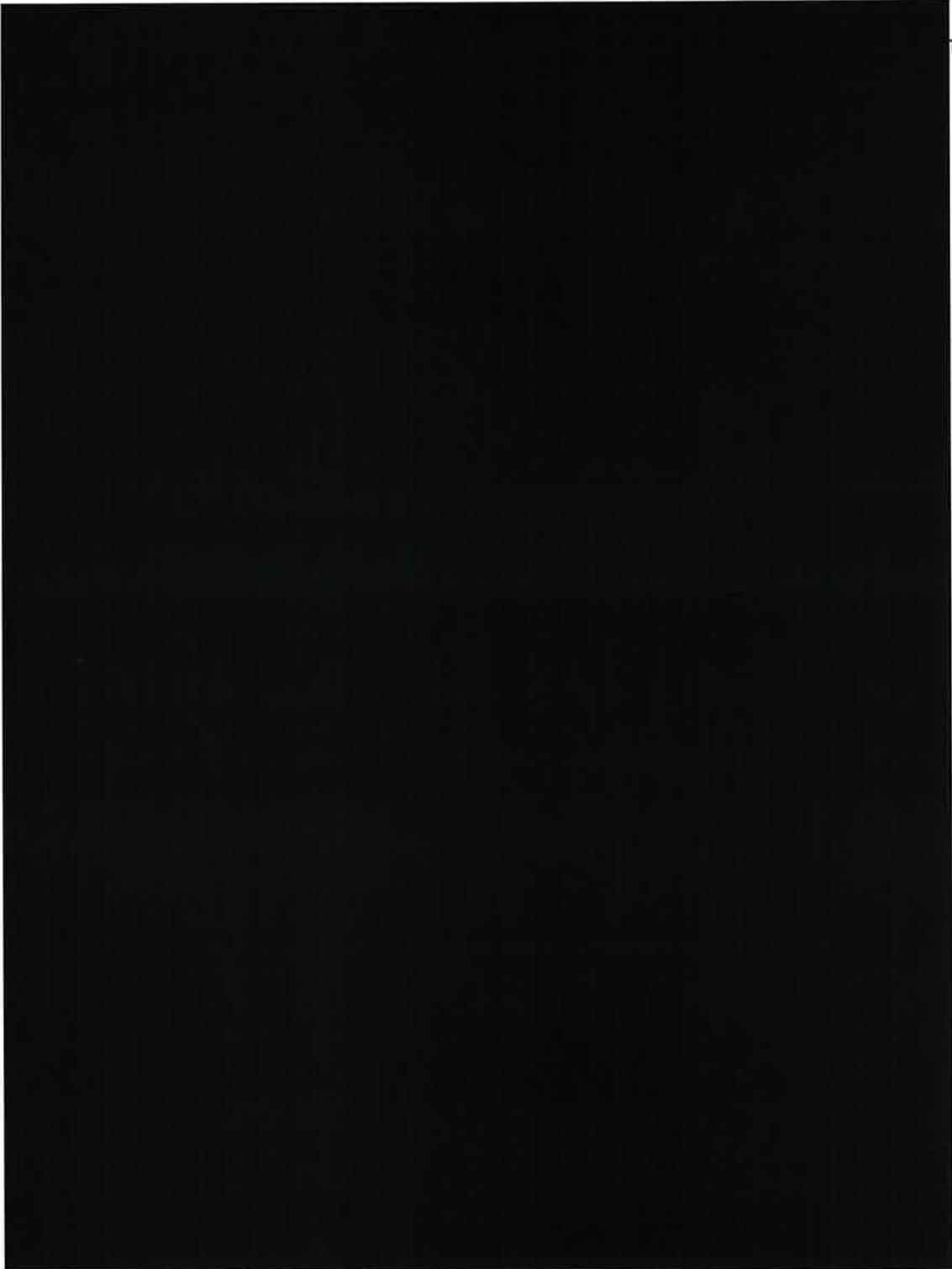




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§ 4e COMPLIANCE UPDATE - REGULATORY CONTACTS

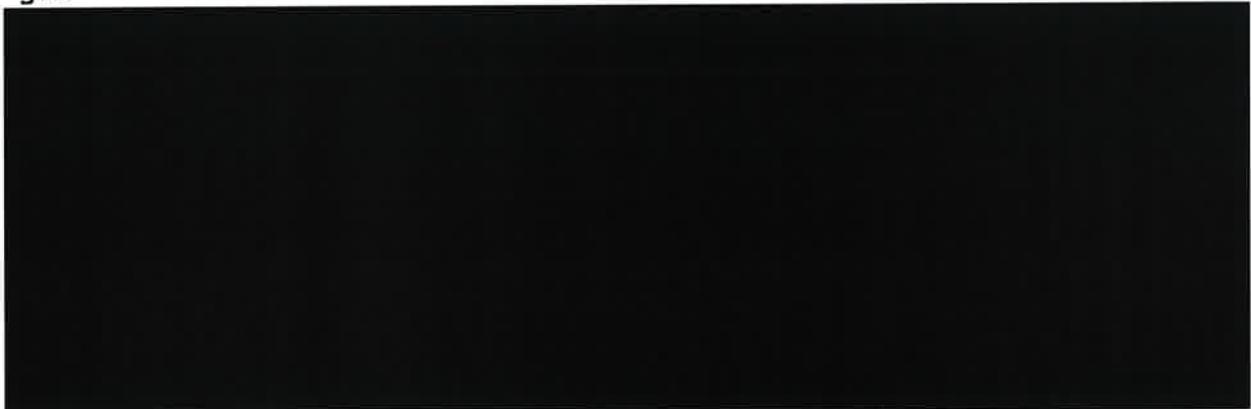


§ 5 CRO UPDATE

§ 5a RISK AND CAPITAL COMMITTEE SUMMARY



§ 5b CRO REPORT





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§ 6 CCO UPDATE

§ 6a UPDATE ON RISKS AND TRENDS IN THE COMMERCIAL REAL ESTATE SECTOR





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§ 6b CREDIT DECISIONS

§ 6b i CREDIT DECISION BALDER





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§ 6c CREDIT DECISIONS WITH RELATED PARTIES

§ 6c i CREDIT DECISIONS WITH RELATED PARTY HEIMSTADEN AB



§ 6c ii CREDIT DECISIONS WITH RELATED PARTY RG





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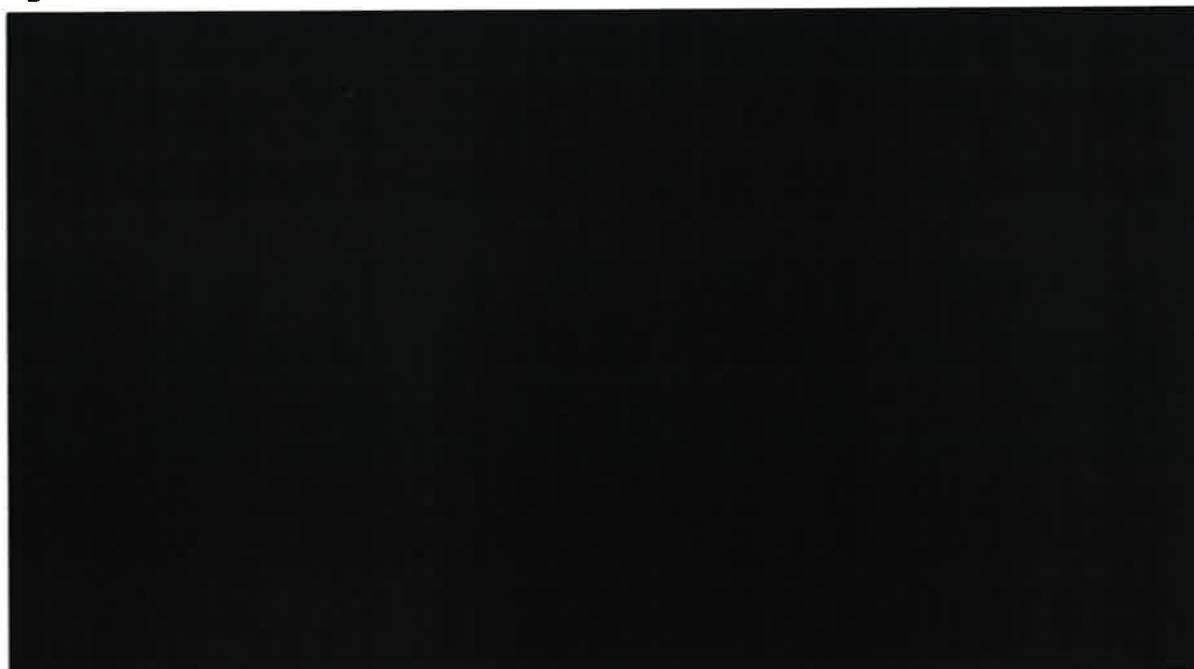
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§ 7 CFO UPDATE

§ 7a CFO REPORT





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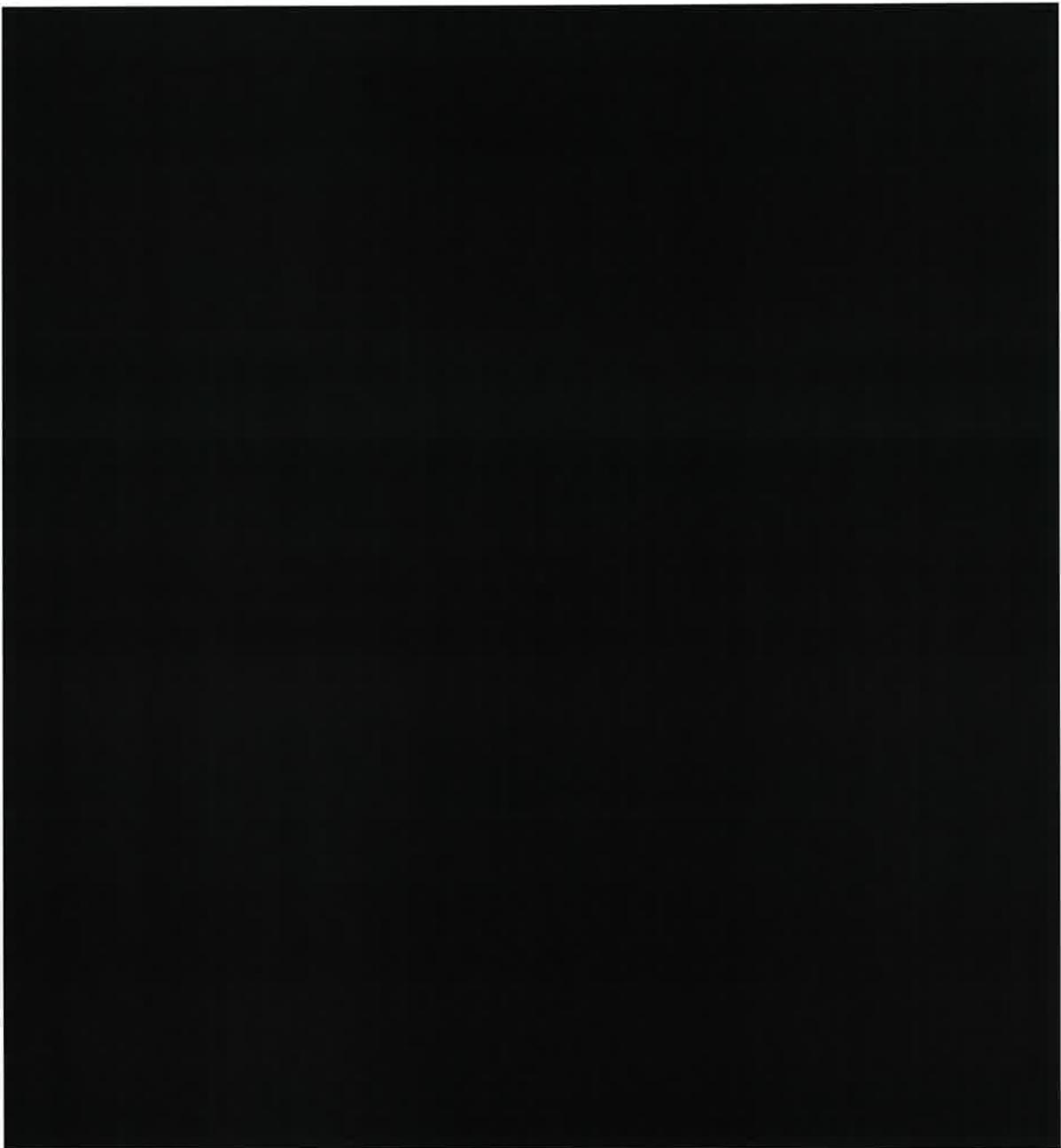
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§ 7b

PROPOSAL NEW TOLERANCE LIMIT





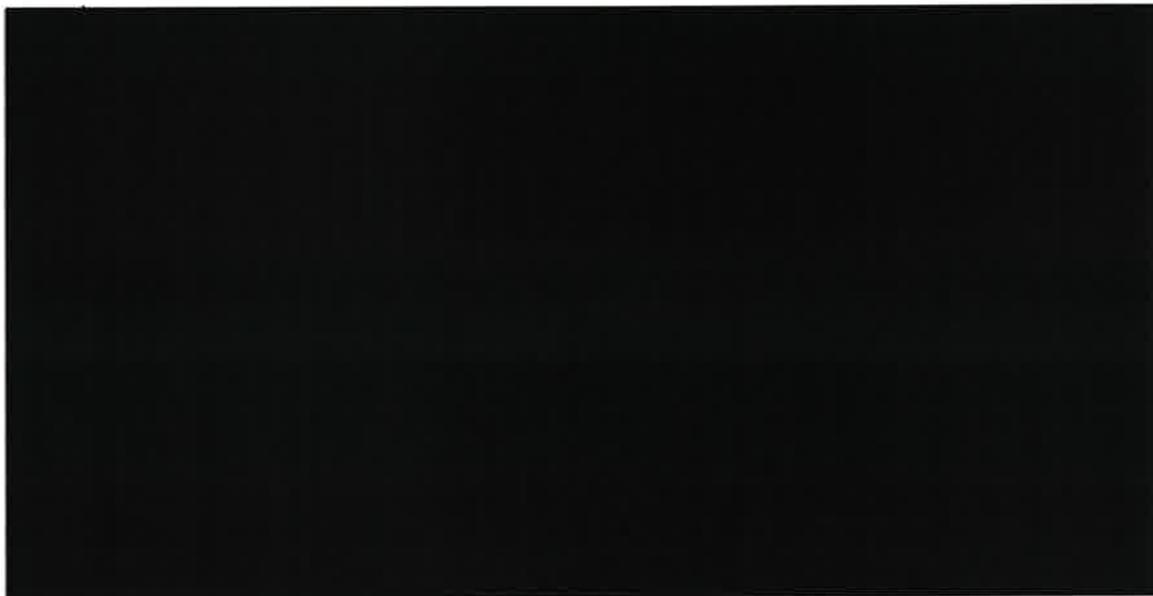
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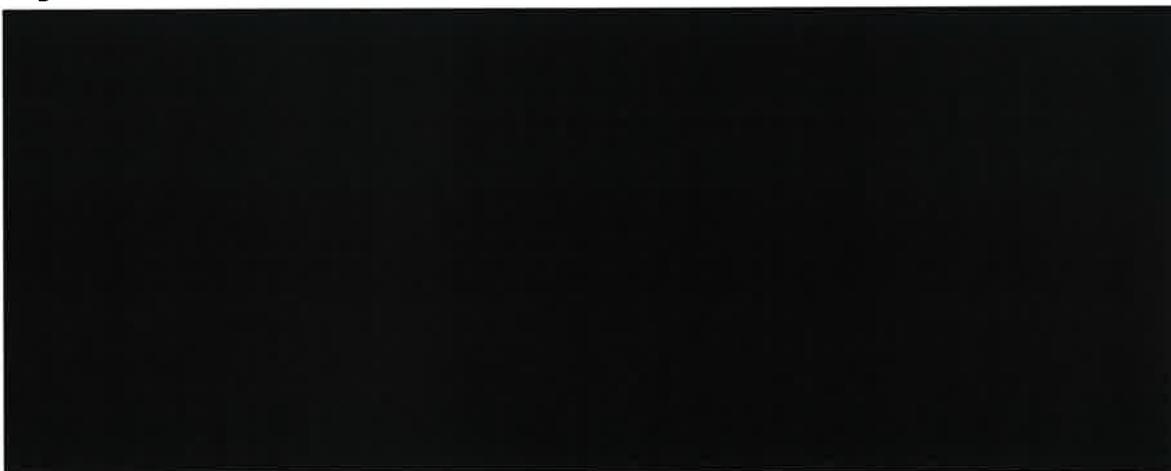
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§ 7c CAPITAL FORECAST



§ 8 NEW POLICY ON INSURANCE DISTRIBUTION





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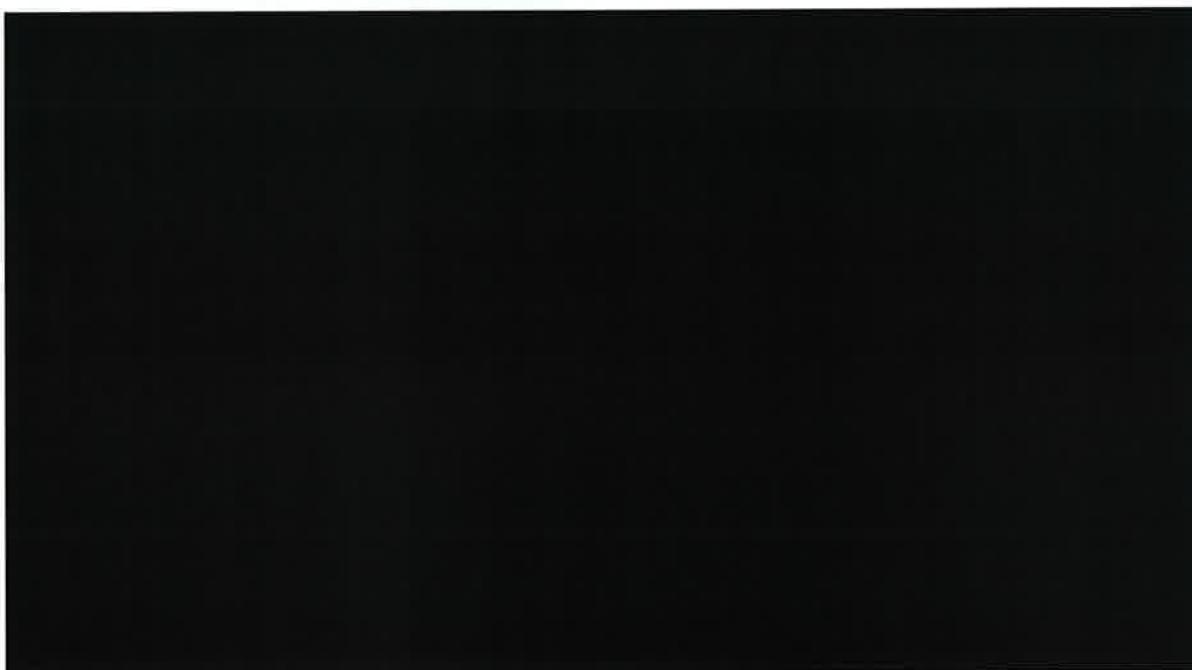
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§ 9 REPORTING AND FORMAL MATTERS

§ 9a SIGNATORY POWERS



§ 9b NOMINATION INTERNAL BOARDS



§ 9c AGREEMENT WITH RELATED PARTY





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§ 9d

APPROVAL OF EXTERNAL ASSIGNMENT FOR BOARD MEMBER



§ 9e

PENDING MATTERS



§ 9f

ANNUAL BOARD CONFERENCE

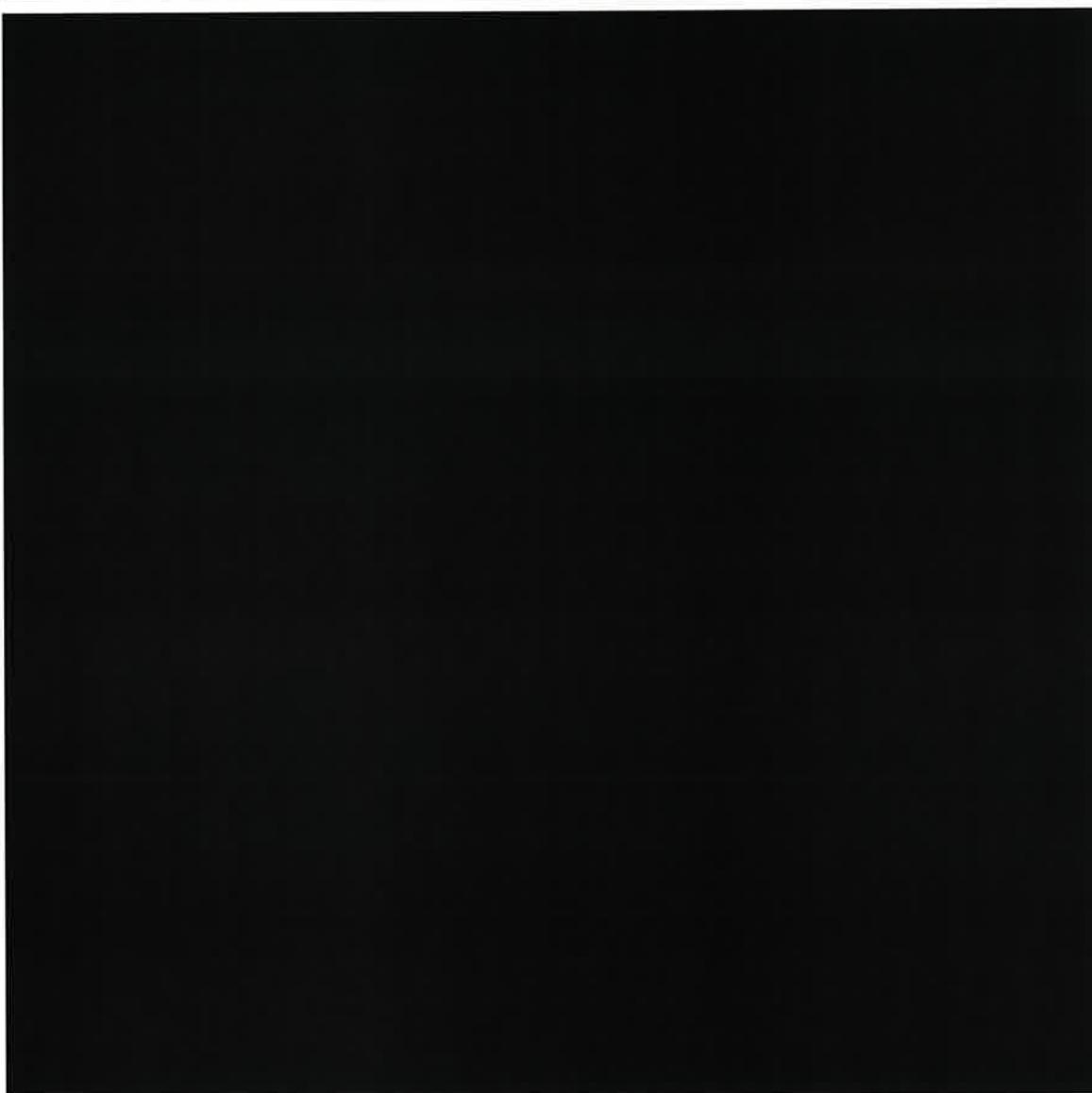




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§ 11 NEXT MEETING MONDAY 22 OCTOBER 2018

The Chair, Lars Idermark, reminded the Board of Directors that the next ordinary meeting is scheduled on Monday 22nd October 2018, starting at 14.00. The meeting will be held at Swedbank's Head Office in Sundbyberg, in the Board room on floor 8.

§ 11 CLOSING OF THE MEETING

As no further matters were at hand, the Chair, Lars Idermark, declared the meeting, which was opened at 10.00, closed at 15.40.

Minutes kept by:

Eva de Falck



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Checked by:

Lars Idermark

Ulrika Francke



Myndighet
Ekobrottsmyndigheten

Enhet
Stockholm FMK

Styrelseprotokoll 22 oktober 2018

603

Signerat av

Signerat datum

Diariernr
9000-K822-19

Originalhandlingens förvaringsplats

Datum

2020-09-07

Tid

13:07

Involverad personal

Ann-Christin Sandén

Funktion

Uppgiftslämnare

Berättelse

Styrelseprotokoll 22 oktober 2018, från utredning 9000-K564-19, beslag
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Present: Lars Idermark, Chair
 Ulrika Francke, vice Chair
 Bodil Eriksson
 Mats Granryd
 Bo Johansson
 Anna Mossberg
 Peter Norman
 Annika Poutiainen
 Siv Svensson
 Magnus Uggla

Camilla Linder
 Åke Skoglund

Birgitte Bonnesen, CEO
 Anders Karlsson, CFO
 Eva de Falck, Secretary of the Board of Directors

Ola Laurin, Head of LC&I	§ 4c
Charlotte Elsnitz, Head of Baltic Banking	§ 4c
Christer Trägårdh, Head of Swedish Banking	§ 4c
Ragnar Gustavii, Head of CEO Office	§ 4c
Carina Strand, Head of Group HR	§ 4f
Cecilia Hernqvist, Chief Compliance Officer	§§ 4c, 5
Helo Meigas, CRO	§ 6
Lars-Erik Danielsson, CCO	§ 7
Tomas Hedberg, Head of Group Treasury	§ 8
Ingrid Harbo, Chief Audit Executive	§ 9
Patrick Honeth, Deloitte	§ 10

Apologies of absence: Roger Ljung

Date: 22 October 2018

Venue: Swedbank Head Office, Landsvägen 40, Sundbyberg, Sweden



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§ 1 OPENING OF THE MEETING

The Chair, Lars Idermark, opened the meeting and welcomed everybody. It was noted that all presentations shown at the meeting will be uploaded on Directors Desk directly after the meeting.

Lars Idermark also informed that the CEO-update today will focus on Anti Money Laundering actions and Money Laundering mitigating measures in different parts of Swedbank Group.

§ 2 CONFLICT OF INTEREST TO REPORT AS REGARDS ANY OF THE ITEMS ON TODAY'S AGENDA



§ 3 APPROVAL OF THE MINUTES



§ 4 CEO UPDATE

§ 4a CEO REPORT



§ 4b CENTRAL BANKS

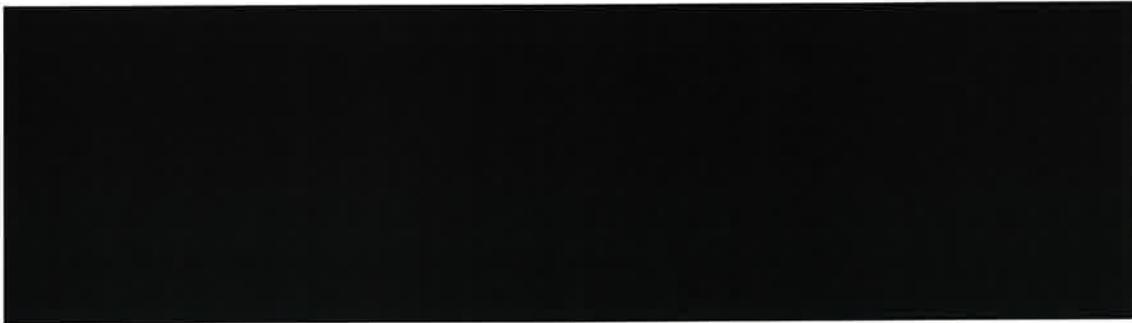




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§ 4c

AML ISSUES





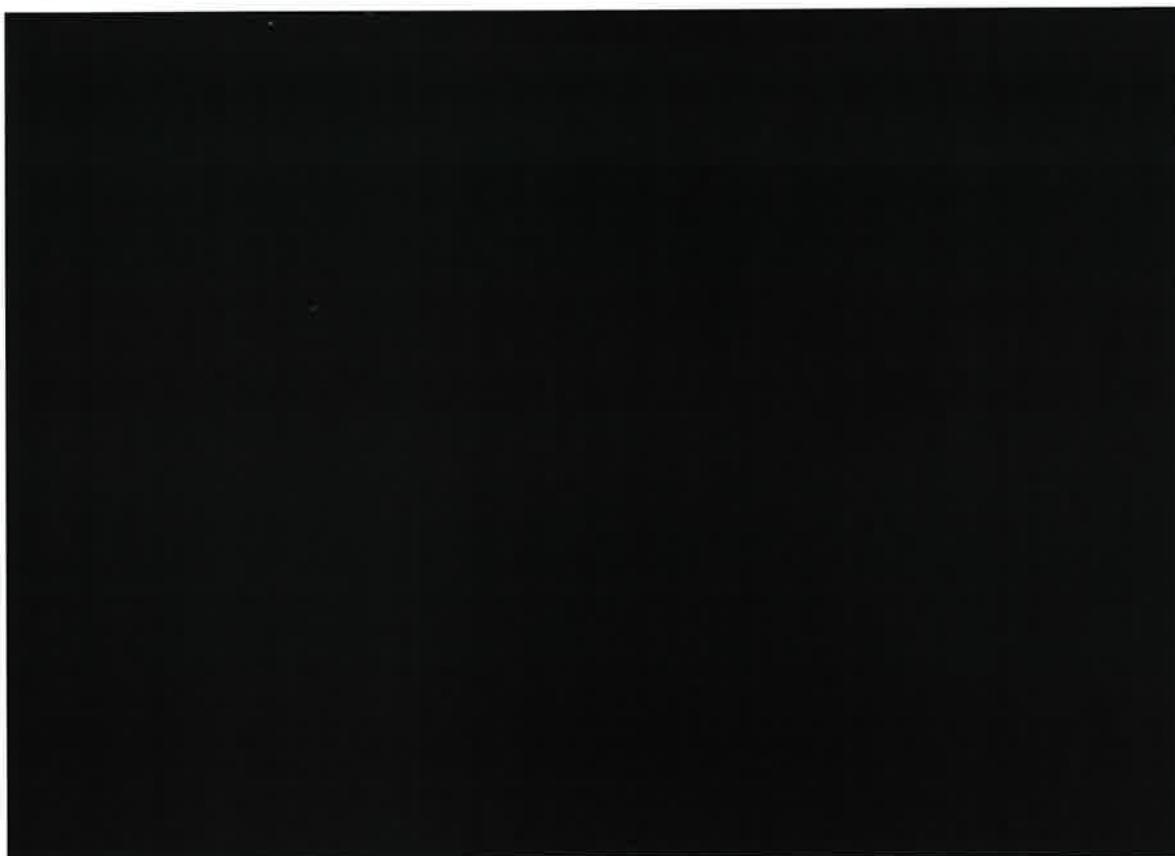
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§ 4d CUSTOMER SATISFACTION UPDATE



§ 4e SALE OF BUSINESS IN LUXEMBOURG



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§ 4f HR UPDATE

§ 4fi REMCO SUMMARY



§ 4fii EKEN AND IP; Q3 2018 PROPOSED ALLOCATION





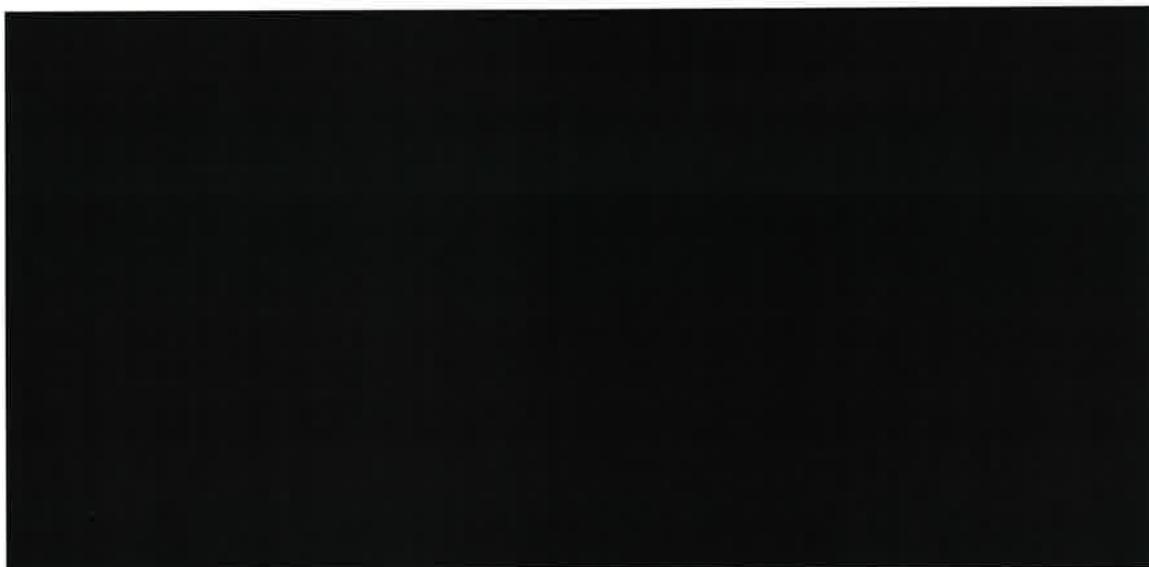
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§ 4d iii REMUNERATION POLICY AND RISK ASSESSMENT



§ 4d iv. CEO TARGETS; Q3 2018 FOLLOW UP





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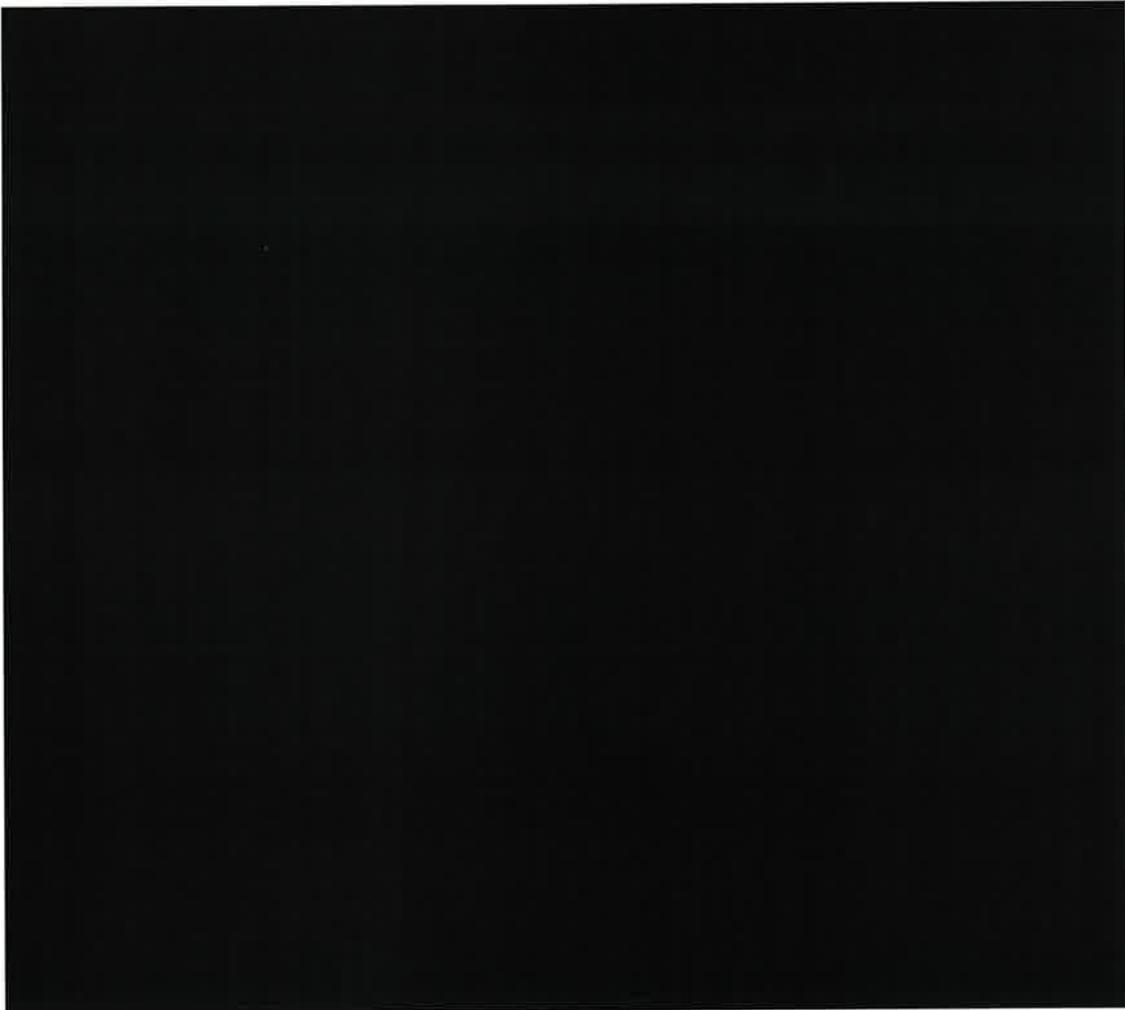
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§ 5 COMPLIANCE UPDATE

§ 5 a COMPLIANCE REPORT Q3 2018 INCLUDING REGULATORY CONTACTS AND REGULATORY WATCH

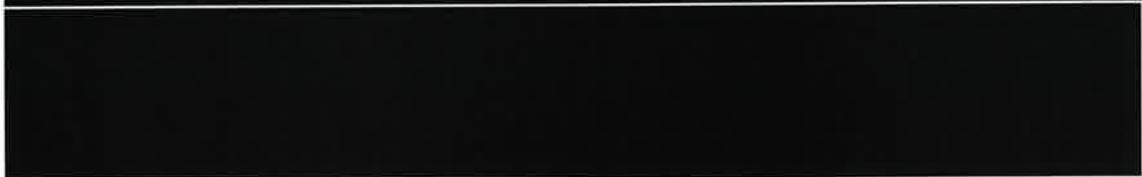




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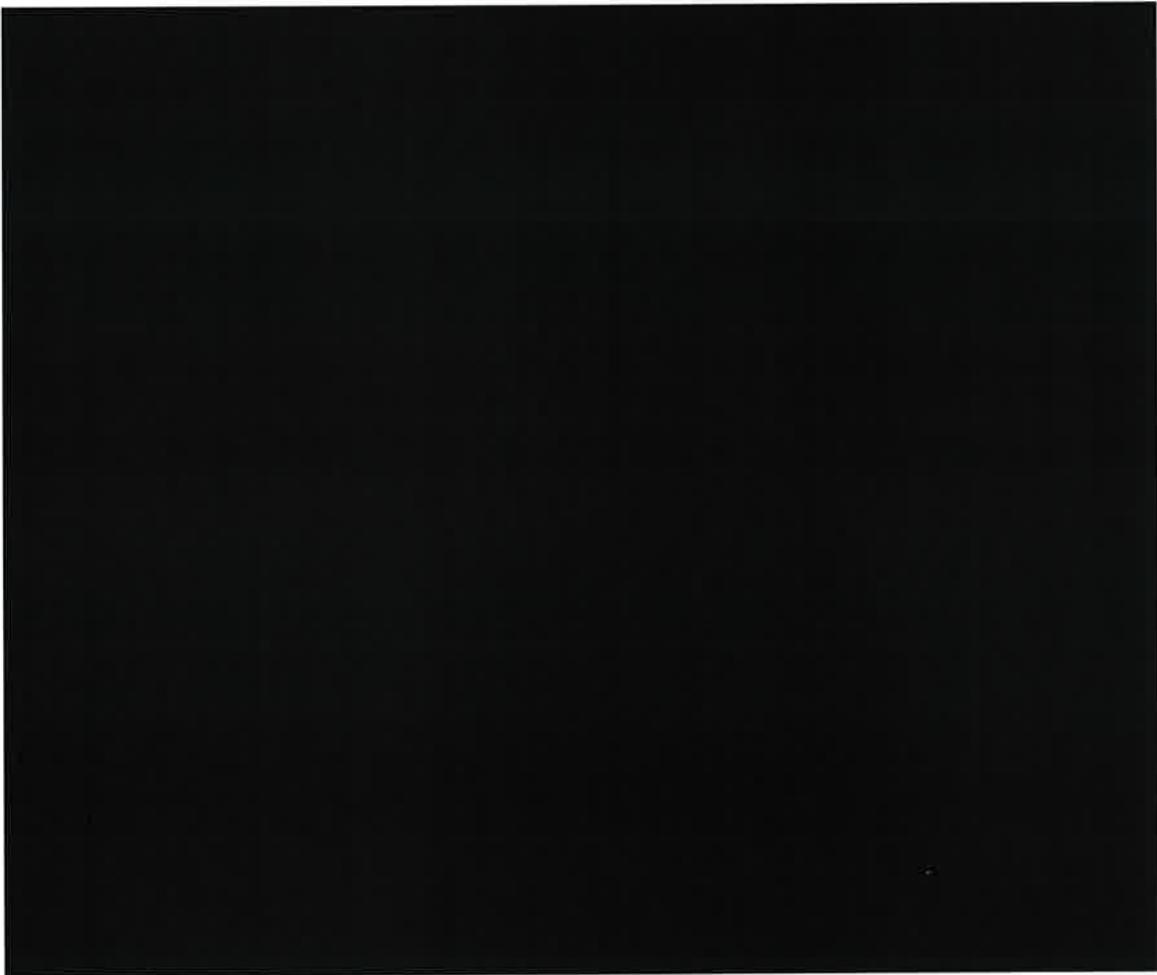
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§ 6 CRO UPDATE

§ 6a RISK AND CAPITAL COMMITTEE SUMMARY



§ 6b CRO REPORT

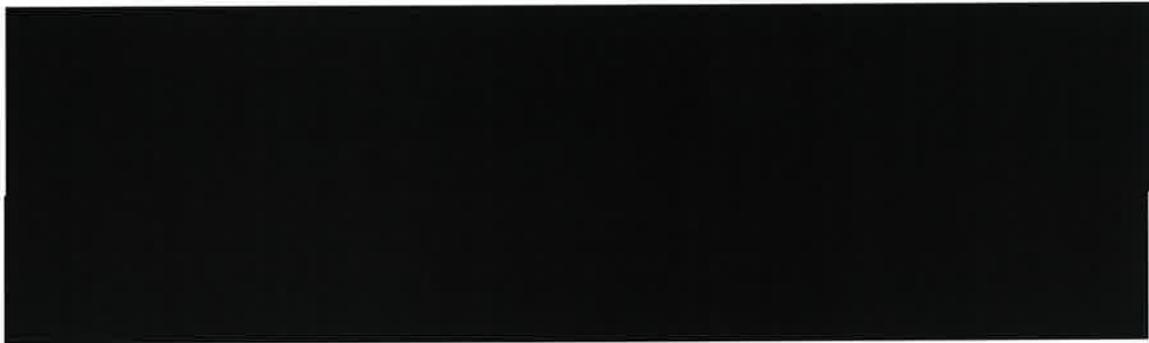




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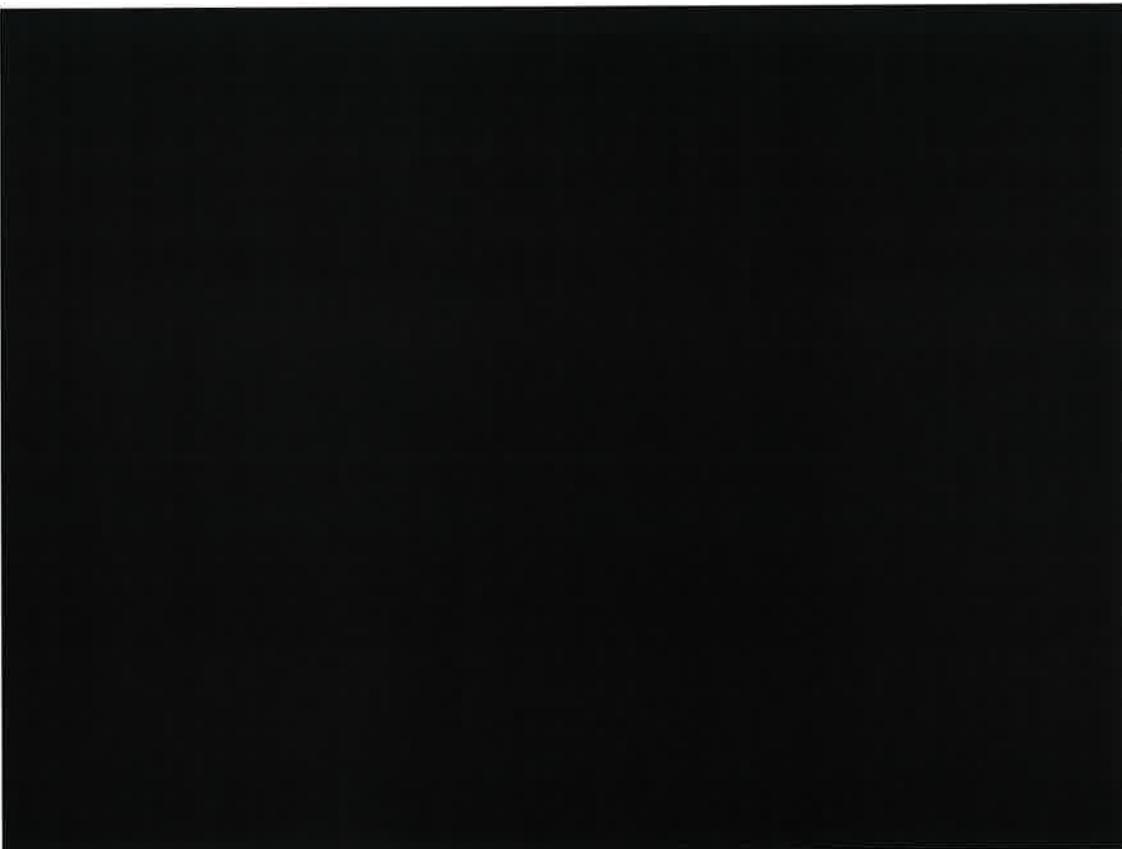
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§ 6c

SWEDBANK GROUP RECOVERY PLAN

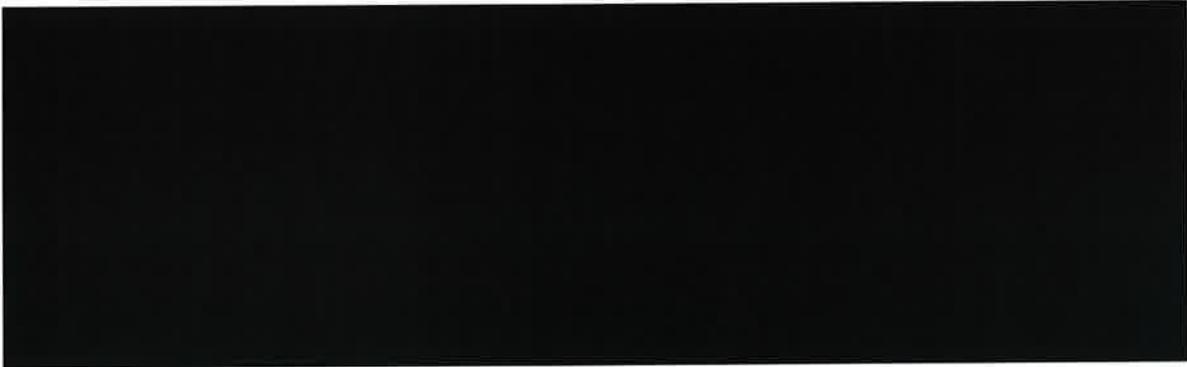




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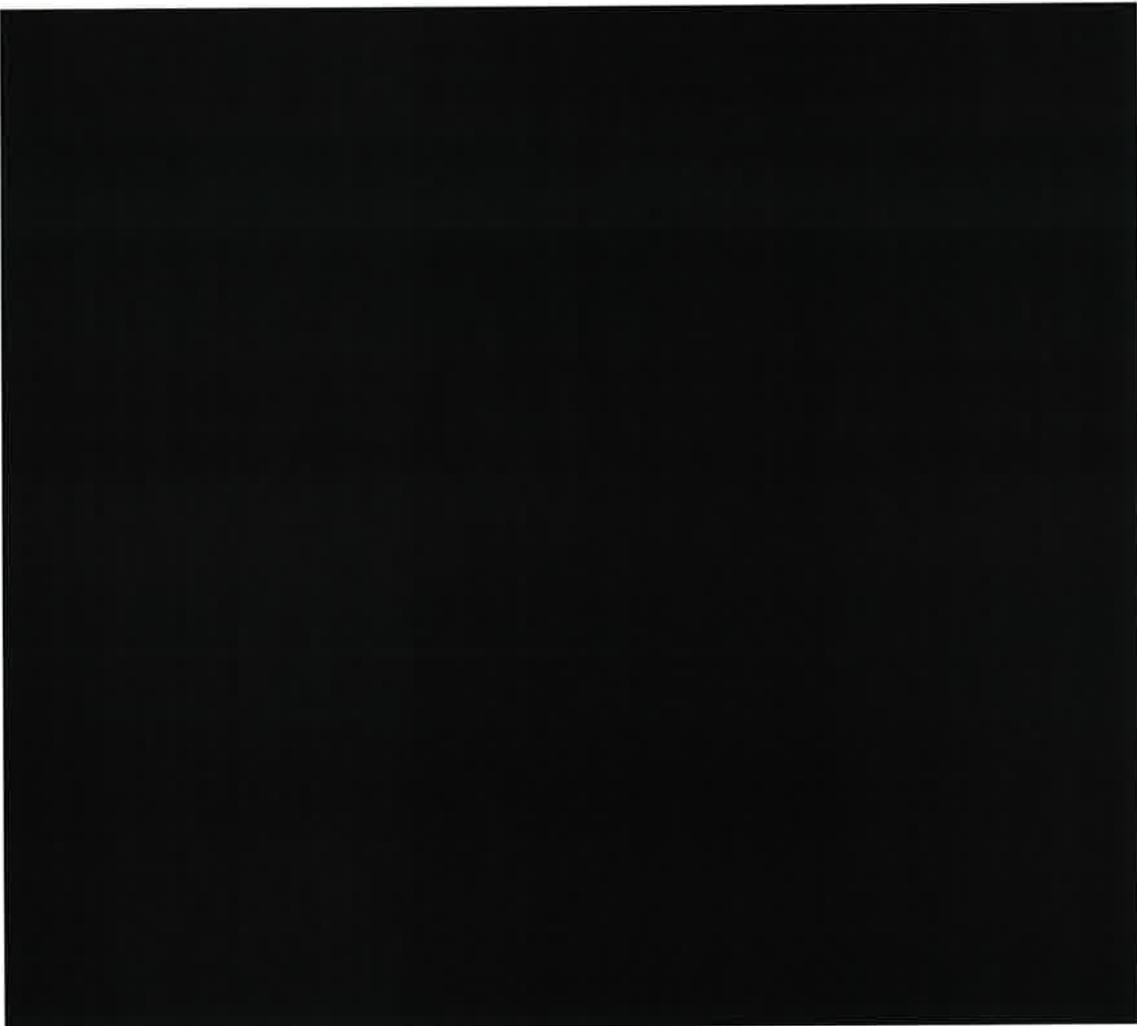
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§ 6d

FINAL RESULT ON SUPERVISORY REVIEW AND EVALUATION PROCESS (SREP)

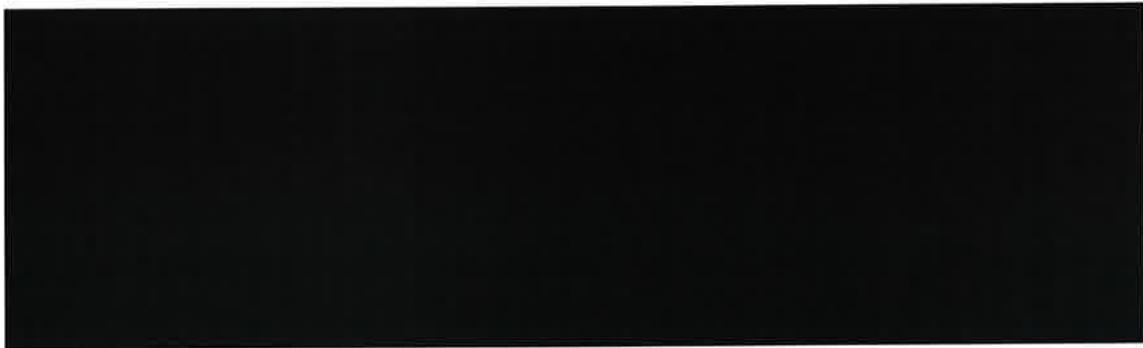




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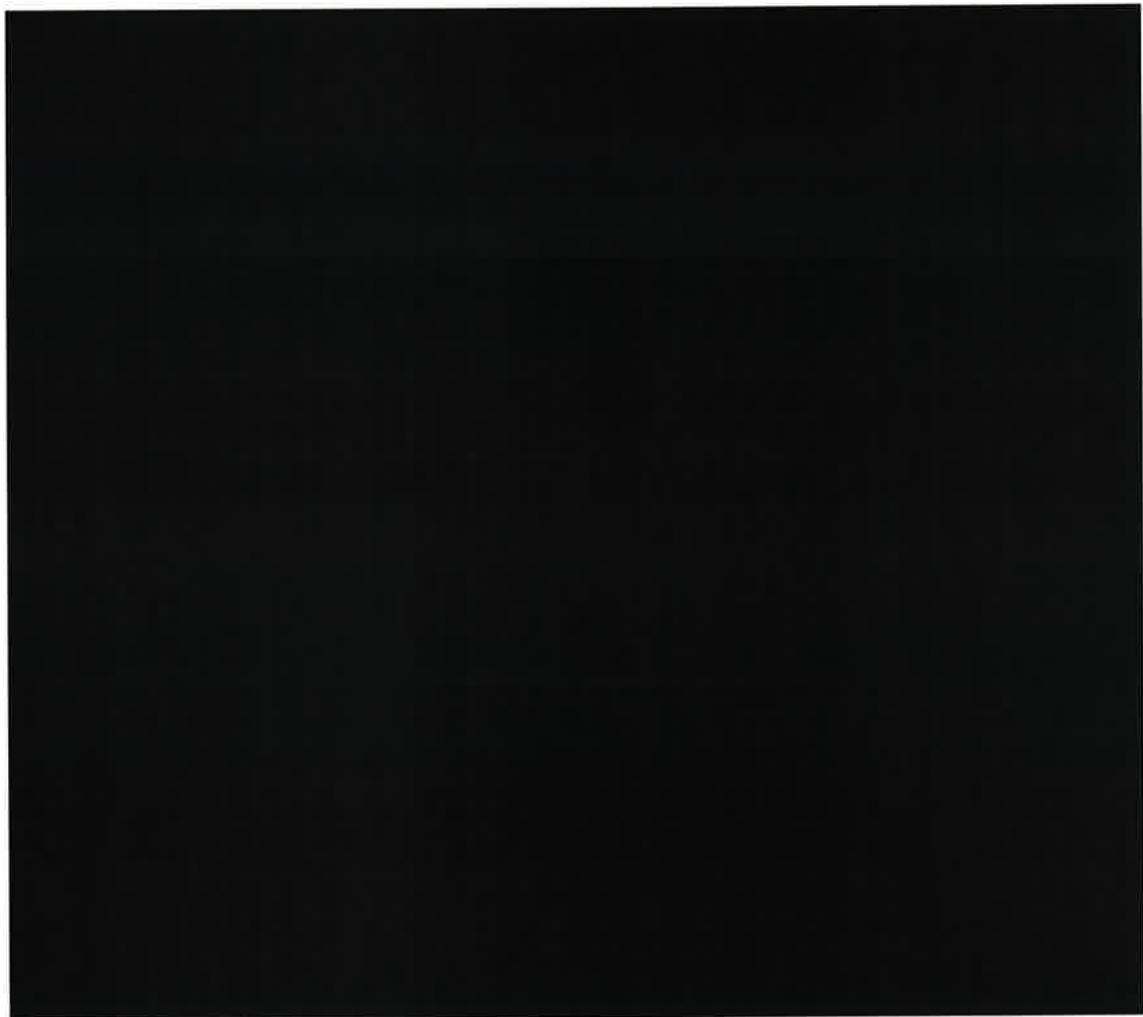
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§ 6e

RISK ASSURANCE QUARTERLY REPORT Q3 2018

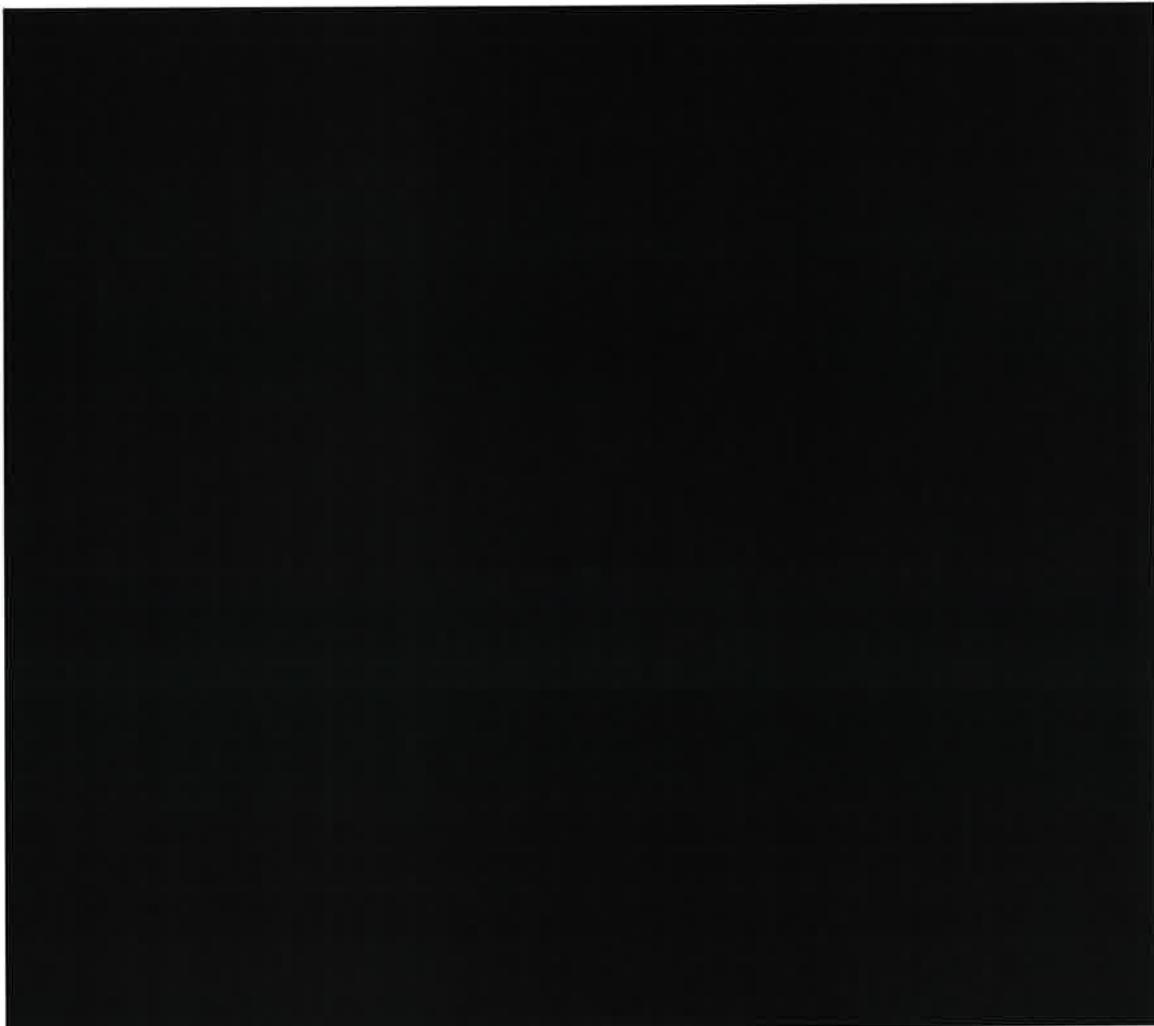




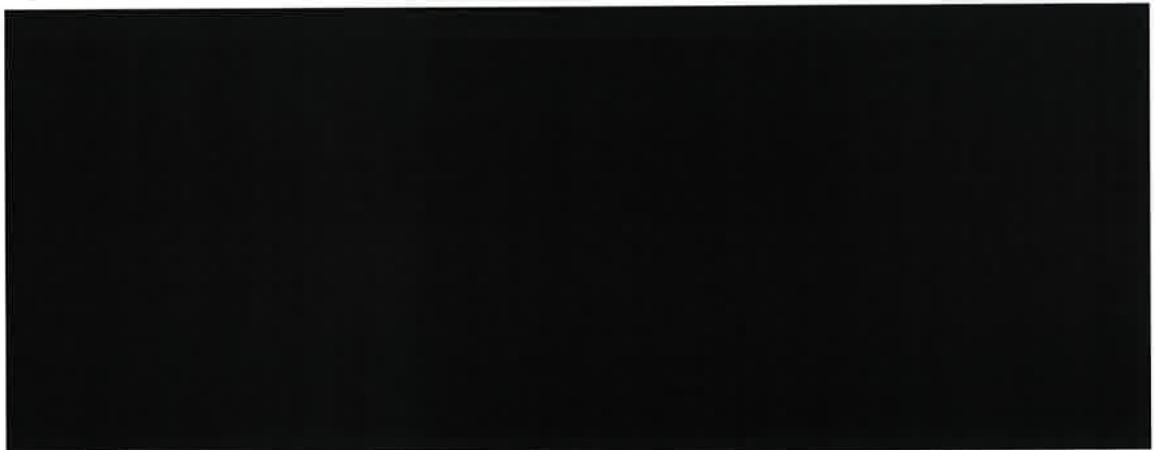
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§ 7a ii CREDIT DECISION KOMMUNINVEST





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§ 7a iii CREDIT DECISION SBAB

§ 7b CREDIT DECISIONS WITH RELATED PARTIES

§ 7b i. CREDIT DECISION WITH RELATED PARTY HEIMSTADEN AB



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§ 7c

REPORTING FROM CREDIT DECISION 



§ 8

CFO UPDATE

§ 8a

CFO REPORT INCLUDING PRESENTATION OF THE DRAFT FINANCIAL REPORT
THIRD QUARTER 2018





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§ 8b

RESCALE OF THE CET1 MANAGEMENT BUFFER (NEW TOLERANCE LIMIT)

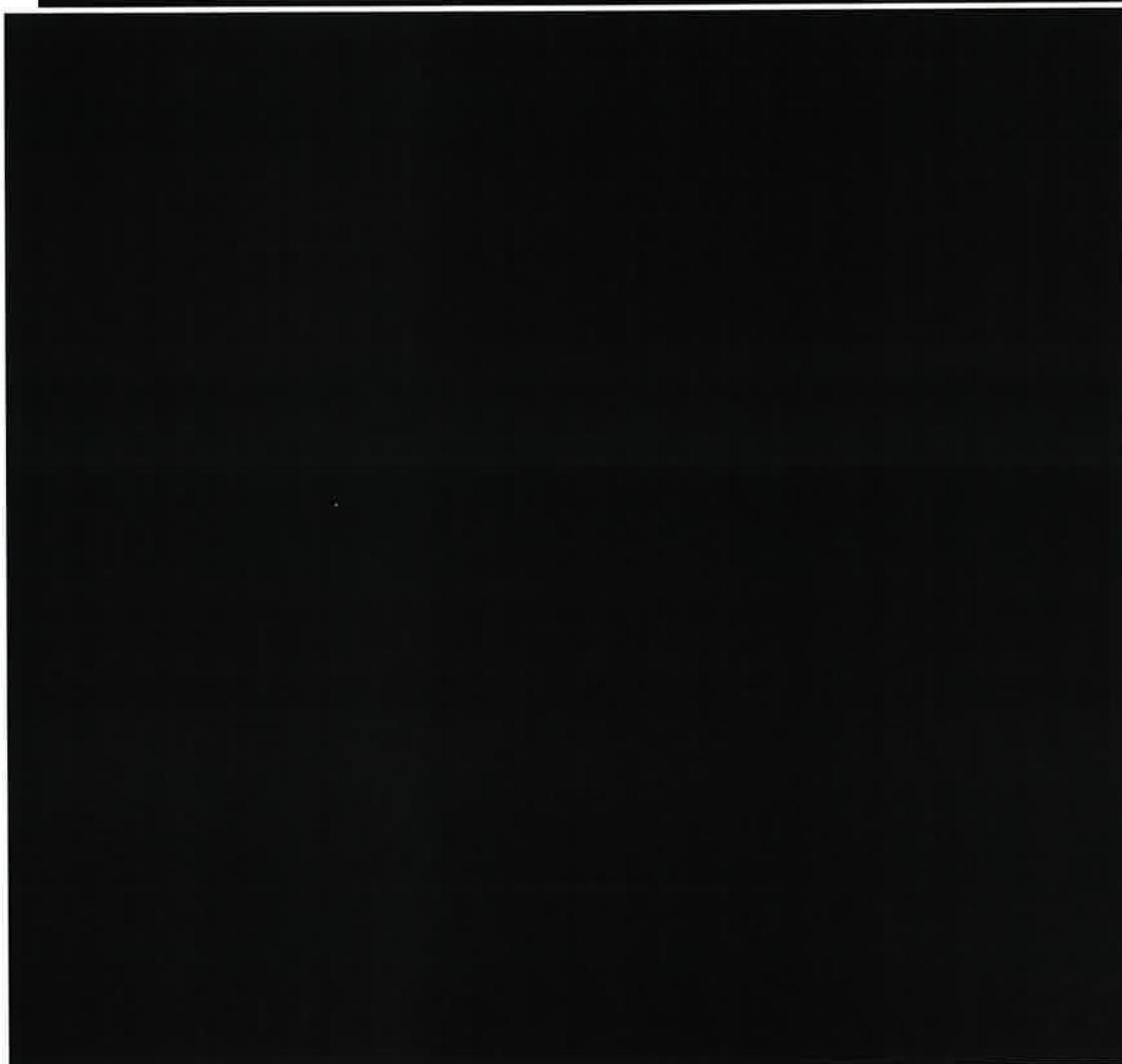
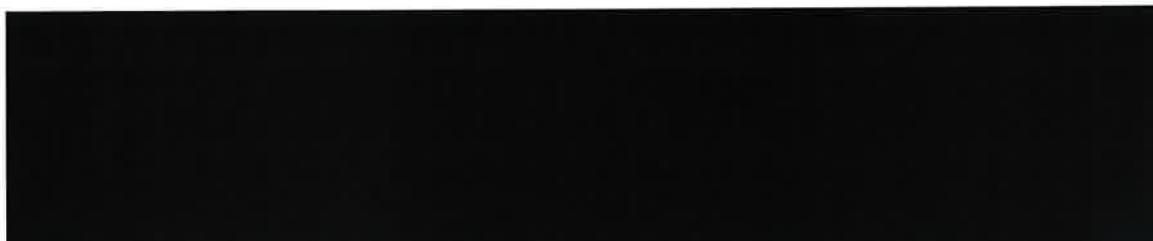




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§ 8b

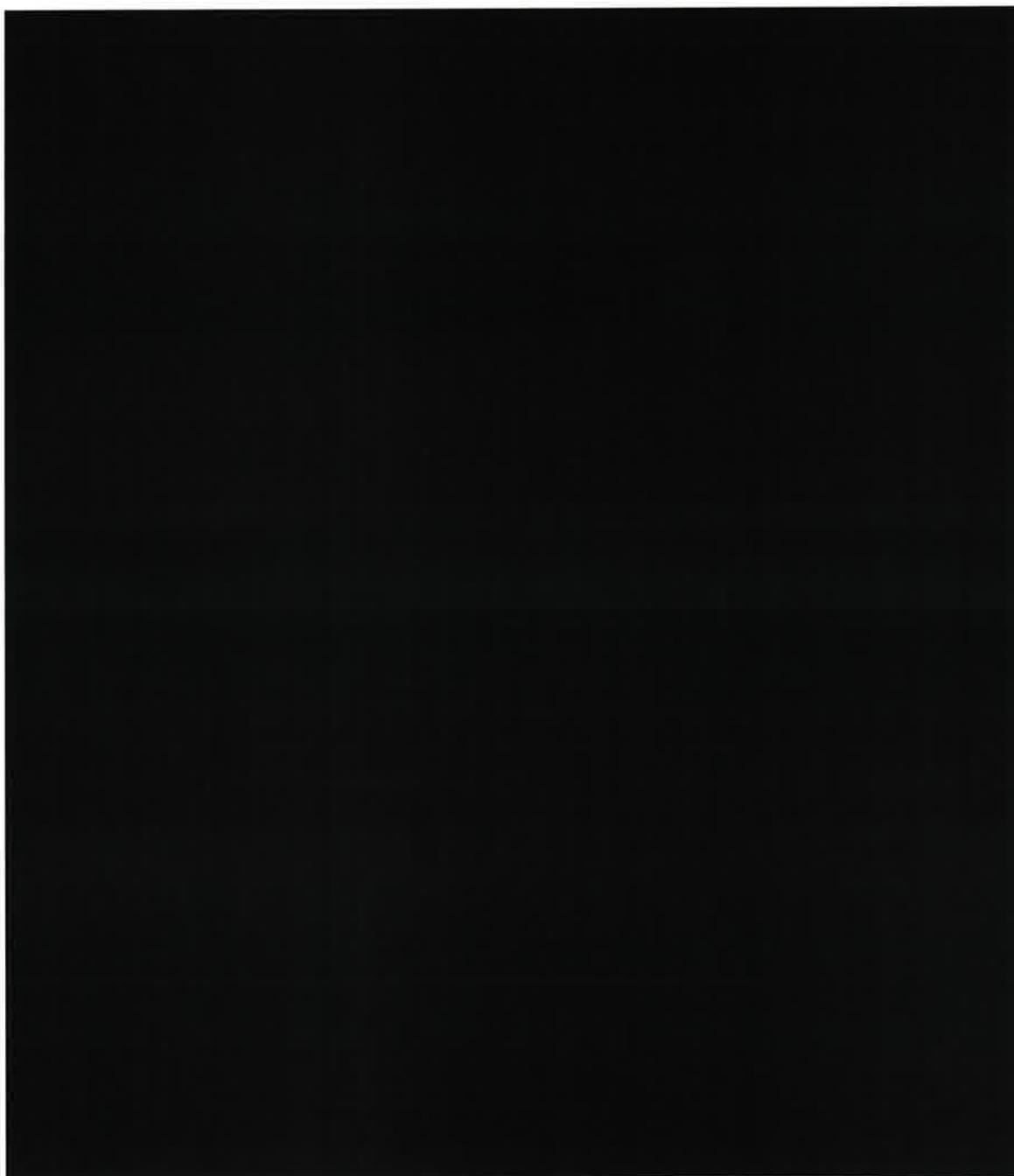
IRB REGULATIONS AND CAPITAL UPDATE



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- § 9 GROUP INTERNAL AUDIT UPDATE
- § 9a AUDIT COMMITTEE SUMMARY



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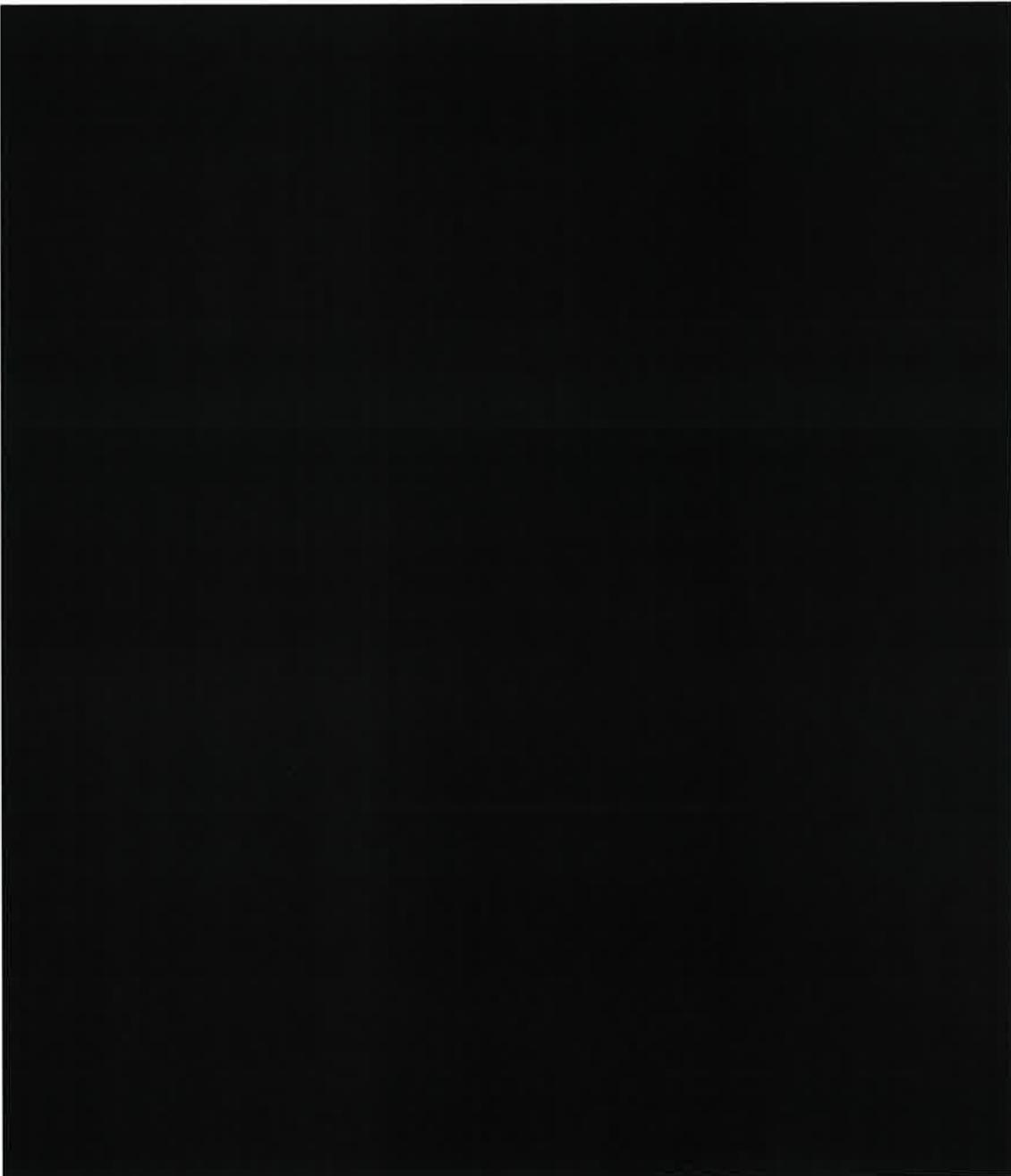
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§ 9b

GROUP INTERNAL AUDIT REPORT; Q3 2018





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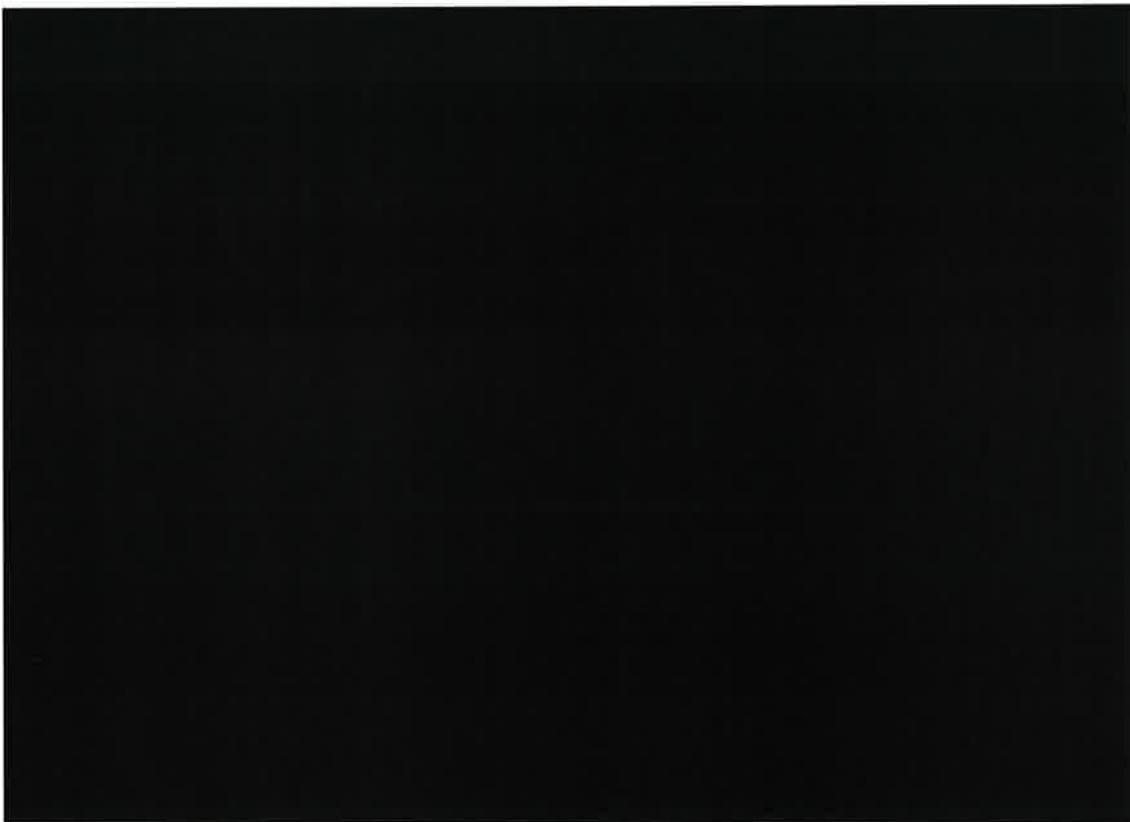
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§ 10

REPORT OF THE EXTERNAL AUDITOR





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§ 11 DECISION ON THE FINANCIAL REPORT FOR Q3 2018



§ 12 REPORTING AND FORMAL MATTERS

§ 12a SIGNATORY POWERS





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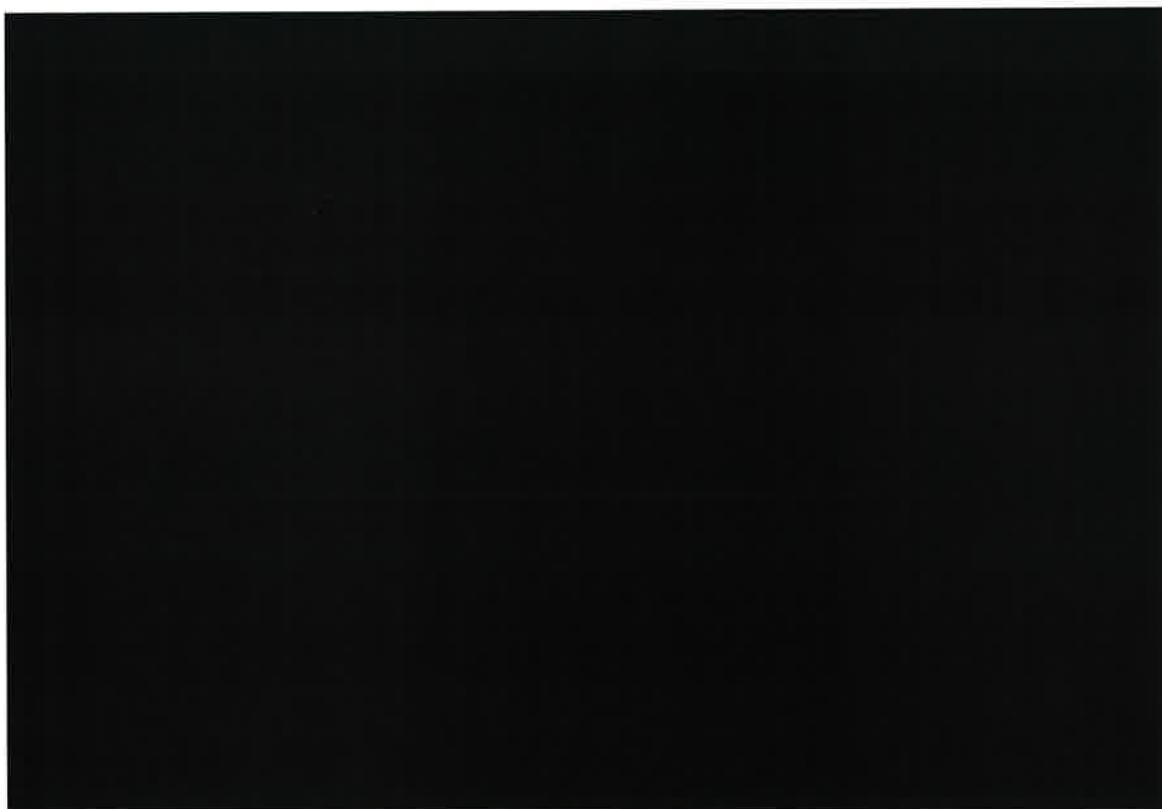
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§ 12b PENDING MATTERS



§ 12c APPROVAL OF EXTERNAL ASSIGNMENT FOR BOARD MEMBER BODIL ERIKSSON





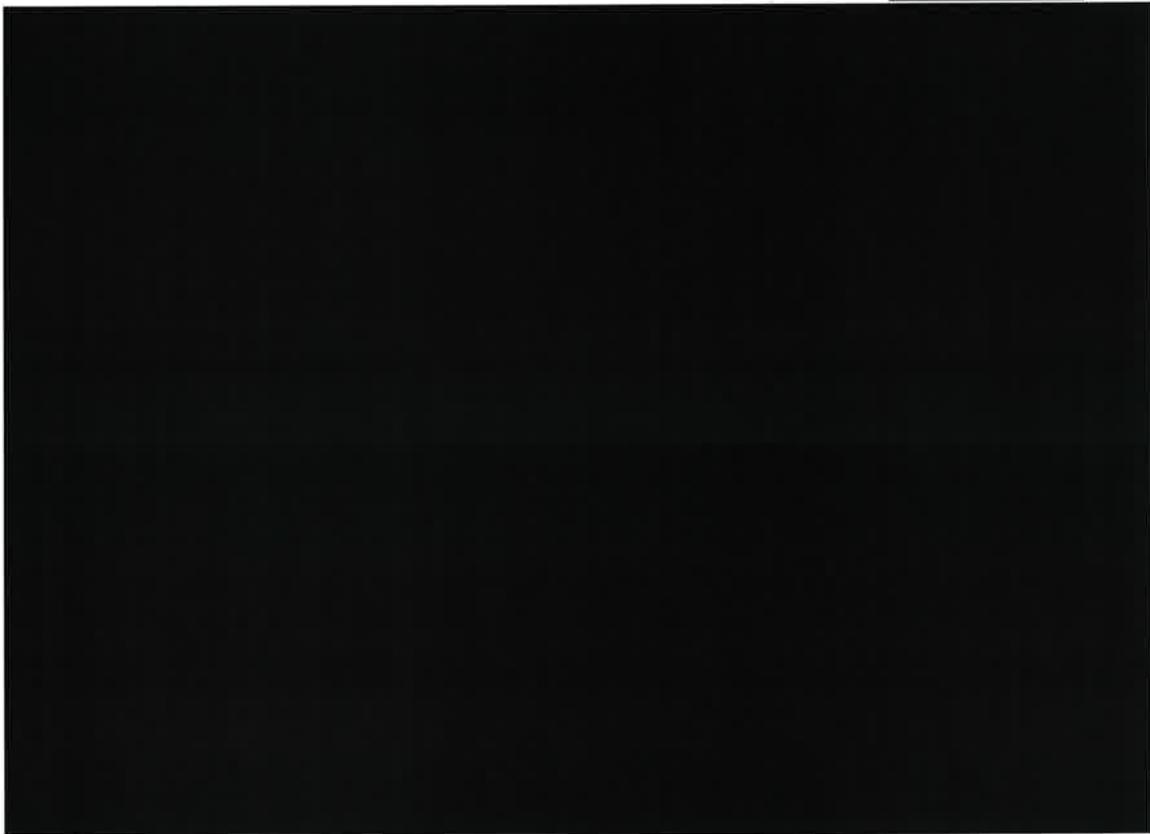
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§ 12d APPROVAL OF EXTERNAL ASSIGNMENT FOR BOARD MEMBER 



§ 12e AGREEMENT WITH RELATED PARTY





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§ 13 ANY OTHER BUSINESS



§ 14 NEXT MEETING MONDAY 26 NOVEMBER 2018



§ 15 CLOSING OF THE MEETING



Minutes kept by:

Eva de Falck

Checked by:

Lars Idermark

Ulrika Francke



Styrelseprotokoll 10 april 2019

Myndighet
Ekobrottsmyndigheten

Enhet
Stockholm FMK

Signerat av

Signerat datum

Diarienum
9000-K822-19

Originalhandlingens förvaringsplats

Datum

2021-01-20

Tid

14:26

Involverad personal

Ann-Christin Sandén

Funktion

Uppgiftslämnare

Berättelse

Styrelseprotokoll 2019-10-04 hämtat från de handlingar som Eva De Falck hade med sig vid förhör 2020-10-13.



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Present: Ulrika Francke, Chair
Bodil Eriksson
Kerstin Hermansson
Bo Johansson
Anna Mossberg
Peter Norman
Siv Svensson
Magnus Uggla

Camilla Linder (by telephone)
Roger Ljung

Anders Karlsson, CEO
Ingrid Harbo, CAE
Eva de Falck, Secretary of the Board of Directors

Apologies of
absence: Mats Granryd

Date: 10 April 2019

Venue: Swedbank HQ, Landsvägen 40, Sundbyberg

§ 1 OPENING OF THE MEETING

The Chair, Ulrika Francke, opened the meeting and welcomed everybody.

[REDACTED]

There is also a plan to replace the current Chief Compliance Officer, Cecilia Hernqvist, with the current CAE, Ingrid Harbo as acting Chief Compliance Officer. [REDACTED]

[REDACTED]

[REDACTED]



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§ 2

PANAMA PAPERS / NON RESIDENTIAL CUSTOMERS IN SWEDBANK

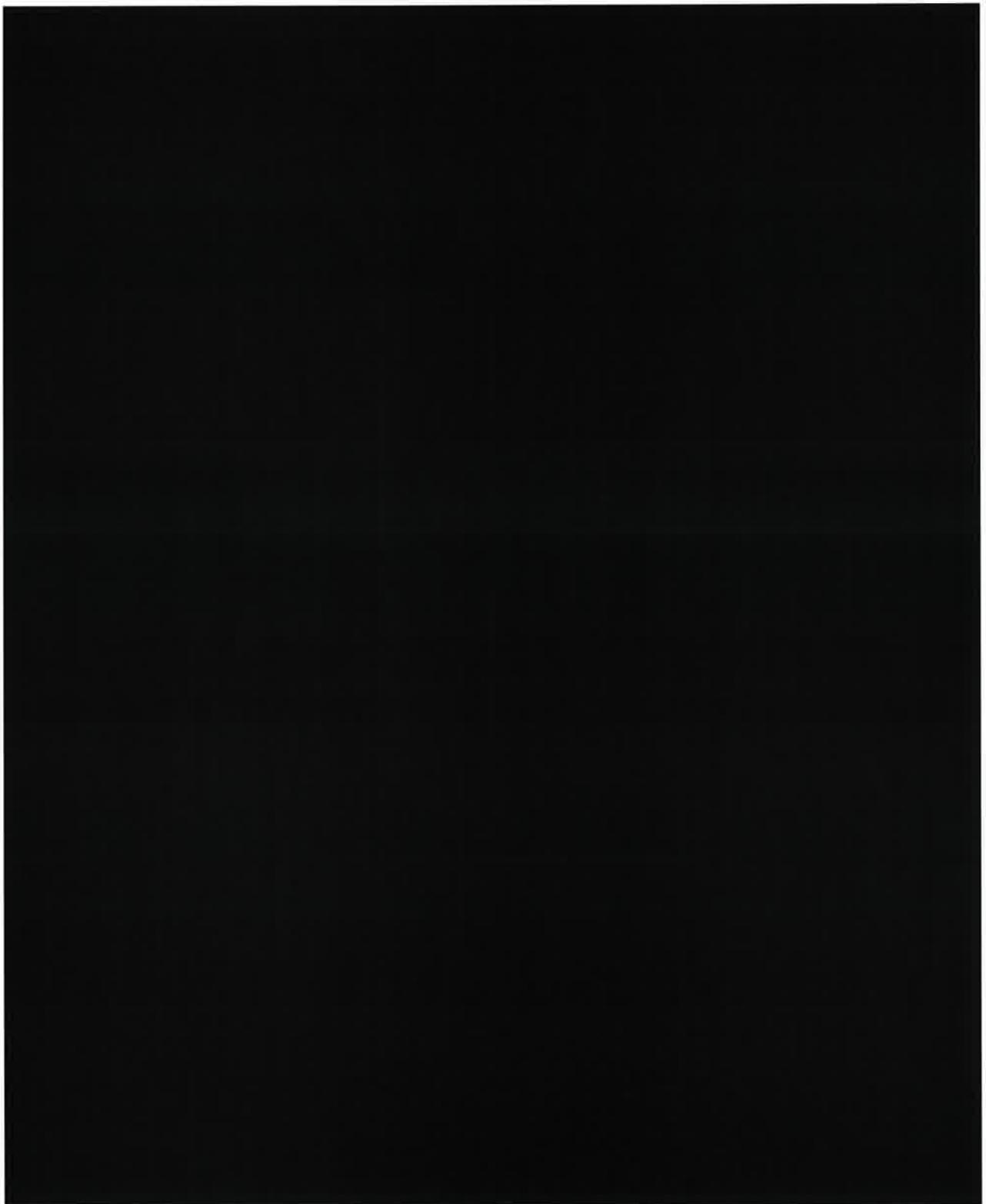




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[REDACTED]

§ 3 REMUNERATION TO ACTING CHIEF COMPLIANCE OFFICER

[REDACTED]

§4 CLOSING OF THE MEETING

The Chair, Ulrika Francke asked the Board members to revert to her on their availability to be re-elected as Directors of the Board of Swedbank AB (publ) at a possible upcoming Extra General Meeting.

Ulrika Francke also asked everyone to send their input regarding external communication to Bodil Eriksson who will forward the input received to Kreab.

As no further matters were at hand, the Chair, Ulrika Francke, declared the meeting, which was opened at 18.00, closed at 20.45.

[REDACTED]

Minutes kept by:

[REDACTED]

Eva de Falck

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



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Checked by:

Ulrika Francke

Siv Svensson



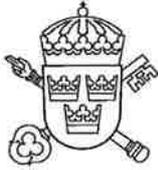
Bilaga - Skäligen misstänkt

Myndighet
Ekobrottsmyndigheten

Enhet
Stockholm FMK

Diariennr
9000-K822-19

Skäligen misstänkt person	Identifierad	Anledning	Personnr
Bonnesen, Birgitte	Nej		19560518-1824



Personalia och dagsbottsavgift

Utskriftsdatum
2021-11-03

Namn Bonnesen, Birgitte		Personnummer 19560518-1824	
Tilltalsnamn	Kallas för	Öknamn	Kön Kvinna
Födelseförsamling	Födelselän	Födelseort utland Odder	
Medborgarskap Danmark	Hemvistland	Telefonnr 0708150490: Mobiltelefon	
Adress Lyngsåsa 11 LGH 1001 137 70 Dalarö			
Folkbokföringsort Dalarö		Senast kontrollerad mot folkbokföring 2021-11-01	
Föräldrars/Vårdnadshavares namn och adress (beträffande den som inte fyllt 20 år)			
Utbildning			
Yrke / Titel			
Arbetsgivare		Telefonnr	
Anställning (nuvarande och tidigare)			
Arbetsförmåga och hälsotillstånd			
Kompletterande uppgifter			
Uppgiven inkomst	Bidrag	Hemmavarande barn under 18 år	
Försörjningsplikt		Skulder	
Förmögenhet			
Kontroll utförd			
Taxerad inkomst 13114400		Taxeringsår 2020	
Taxeringskontroll utförd av Insp Ann-Christin Sandén		Datum 2021-01-28	