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Swedbank reaches agreement with OFAC

Swedbank has now reached a final agreement with the US Treasury's Office for Foreign Assets Control (OFAC) regarding the bank's historical shortcomings. OFAC has concluded that the transactions, which were disclosed by the bank to the authority, constitute a violation of applicable regulations.

Swedbank has agreed to remit SEK 37 million regarding the settlement relating to violation of OFAC regulations. The settlement concerns transactions that were conducted by Swedbank in Latvia in 2015-2016.

The transactions, which Swedbank reported to OFAC in March 2020, consisted of salary payments and payments that were associated with the operation of a vessel whose owner and operator were located in Crimea, that were subject to US economic sanctions. In total, the settlement involves 386 transactions with a total value of USD 3.3 million.

"Swedbank takes the historical shortcomings seriously, and has learned from them in the comprehensive work that has been performed to strengthen internal governance and control" says Tomas Hedberg, Head of Special Task Force and Deputy President and CEO, Swedbank.

The bank made a provision of SEK 40 million regarding the agreement with OFAC, in March.

The investigations by the US Department of Justice (DoJ), US Securities and Exchange Commission (SEC), and Department of Financial Services in New York (DFS) are ongoing. Swedbank is holding separate discussions with these agencies through our US legal advisors. These investigations are at different stages.

At this time, the bank cannot assess the extent of potential financial consequences, nor when the investigations will be completed.

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