

How Will Swedbank Respond to Allegations?

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Events in recent weeks are setting up a time of reckoning for the leadership of [Swedbank](#). Reuters is reporting that six of Swedbank's top 20 investors, who account for more than 14 percent of all company shares, are currently "seeking information" related to multiple media reports of "scandal" linked to Danske. According to the allegations made in these media reports, more than \$4 billion was moved between Swedbank and Danske in the eight years between 2007 and 2015. Those transactions triggered investigations by financial regulators in both Sweden and Estonia.



When the allegations were first made public, Swedbank's CEO Birgitte Bonnesen made the right move by offering "no comment at this time" while also citing Swedish banking secrecy laws.

This is the right comment from Bonnesen, at least for the moment, because there isn't anything she can say right now that won't prompt more questions than it answers. And more questions is exactly what the bank does not need right now.

As [marketer Brian Gefter](#) noted, "But that didn't mean the end of speculation and questions for Bonnesen and Swedbank. Pressures, both internal and external forced the company to take further action and to do so in a public fashion. According to the media, Bonnesen greenlit an "external report" in response to investor pressure to come clean about the issue before the bank's annual meeting later in March."

Speaking for some of the concerned investors, Magdalena

Wahlqvist Alveskog, acting CEO of Handelsbanken Asset Management, said: “We are having a dialogue with the company on the issues that we think we need more information on to be able to continue to be investors in the company...”

While, on the surface, that statement sounded like a fact-finding mission, there is an inherent threat implied. If the investment group’s questions are not answered to their satisfaction, there is at least the potential that they will no longer continue to be investors in the bank. In subsequent conversations with the media, Alveskog indicated that her group had spoken previously with principles at Swedbank and had not been pleased by the answers they received.

While this group represents less than two percent of all bank holdings, any move by these investors could set a precedent and trigger further action by other investment groups. That means what happens next will be a pivotal moment for the bank, as well as its investors. Will Swedbank offer answers that satisfy investors and regulators, or is this the first step in an escalating story that could result in a series of negative [headlines](#)?

At this point, the people who have the most accurate answer to those questions are inside Swedbank, and they need to have their narratives prepared and their message unified for what they can reasonably surmise is coming.



About the Author: [Ronn Torossian](#) is CEO of 5WPR, a [leading PR firm](#).