

MEMORANDUM

**The Danish  
Financial Supervisory Authority**

5 July 2018

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KLM/MAB

## **Report on inspection of Jyske Bank A/S (joint funding)**

### **Introduction**

In June 2018, the Danish FSA conducted an inspection of the joint funding area of Jyske Bank A/S. The inspection included an examination of Jyske Bank's joint funding with a mortgage credit institution where the examination focused on compliance with the rules on the placement, control of separation and settlement of incoming payments relating to the joint funding.

Joint funding is taken to mean that a financial institution can fund loans secured against real property through covered bonds (SDOs) issued by another financial institution or mortgage credit institution.

### **Summary and risk assessment**

During the inspection, the FSA examined the Bank's business procedures, guidelines, settlement plans and reports relating to joint funding. The Danish FSA also made random sampling of jointly funded loans with a view to checking that the payments on the loans are separated from other incoming payments, and that the underlying mortgage deeds meet the requirements in order to serve as security for the joint funding.

The inspection of the area did not give rise to any reactions on the part of the FSA.