

MEMORANDUM

Finanstilsynet
(The Danish Financial
Supervisory Authority)

19 December 2014

BØRS

Ref. No.6255-0001

Report on inspection of activities at Jyske Bank A/S

The Danish Financial Supervisory Authority has conducted a limited inspection at Jyske Bank A/S in its capacity as a bank setting CIBOR and CITA rates. The inspection was carried out as an inspection with a limited scope of activity (no visit was made, i.e. as a "**desk investigation**") to check whether the bank complies with governance requirements, cf. the requirements stated in the executive order No. 1299 of 14 November 2013 on inspection of the setting of reference rates.

It was assessed whether the implied business procedures had been prepared, with special focus on

1. whether the credit institution has described its method for setting a reference rate;
2. whether on a daily basis verification takes place of the individual reporting by another employee than the one who carried out the actual setting;
3. whether instruction on the relevant obligations has been given to relevant staff; and
4. whether a log has been established with daily entries.

The FSA finds that the bank's business procedures and other procedures ensure that to a sufficient degree Jyske Bank complies with the governance requirements as stated in the executive order.

The FSA has made several recommendations to Jyske Bank. These pertain to documentation, the number of rate-setters/supervisors, follow-up on instructional activities as well as changes in the use of systems.