

The Danish Financial Supervisory Authority

MEMORANDUM

The Danish Financial
Supervisory Authority

3 July 2015

SECURITIES DIVISION

File No. 6255-0008

Statement on supervision of activity at Sydbank A/S (quotation of reference rates)

1. Introduction

In December 2014 the Danish Financial Supervisory Authority (the Danish FSA) conducted a limited inspection of Sydbank A/S in the bank's capacity as a reference rate contributor.

The inspection focused on establishing that the bank had performed the required controls and that its organisation met the requirements regarding the separation of duties.

2. Summary and risk assessment

On the basis of the inspection the Danish FSA assesses that Sydbank A/S has established adequate systems and procedures for the bank to comply with the rules for setting reference rates.

In connection with the inspection, however, the Danish FSA has pointed out that previously the bank did not have an adequate number of employees to perform the task of reporting and verification as the bank did not always carry out the required four-eye control on a daily basis.