

Commercial Policy – Systematic Internaliser

1. Purpose

A Systematic Internaliser (SI) is an investment firm which, on an organised, frequent, systematic and substantial basis, deals on own account by executing client orders outside a trading venue.

When Jyske Bank acts as an SI, we have certain obligations, including to make firm quotes public. This Commercial Policy sets out Jyske Bank's standards for governing access to our quotes.

2. Scope

Jyske Bank's obligation to make firm quotes public applies to financial instruments that are admitted to trading on a trading venue.

The SI obligations that apply to us depend on whether the financial instrument in which we act as an SI is liquid or illiquid. Further, our obligation to make firm quotes public depends on the nature of the financial instrument in which we act as an SI. The financial instruments in which Jyske Bank acts as an SI are listed in the Appendixes to this Policy. The Appendixes include a description of our obligation to make firm quotes public and when you will have access to trade against the quote.

Please be advised that our obligation to provide quotes only applies up until certain trade sizes. The SI obligations do not apply to primary market transactions.

3. Publication of Commercial Policy

This Commercial Policy is made available at Jyske Bank's website: jyskebank.dk/investeringsinfo. The Policy may be updated from time to time.

Appendix 1: Bonds and derivatives

Jyske Bank is a systematic internaliser in all Danish mortgage bonds, a number of corporate bonds and specific derivatives. At our website jyskebank.dk/investeringsinfo you can under SI information find lists of the mortgage bonds, corporate bonds and derivatives in which we are systematic internaliser.

Our obligations in connection with the role as systematic internaliser in bonds are described below.

Liquid bonds and derivatives:

For liquid bonds and derivatives, we are not obliged to make firm quotes public, but if we at the request of a client accept to provide a quote, we are obliged to provide the same quote to other clients and to make such quote public. Our obligation to provide firm quotes only applies up until a certain trade size - the so-called Size Specific to The Instrument (SSTI). The SSTI thresholds are determined by ESMA based on the calculation methods set out in Annex III of Regulation (EU) 2017/583.

Illiquid bonds and derivatives:

For illiquid bonds and derivatives, we are not obliged to make firm quotes public. However, if a client requests a quote, we provide the most recent quote in such instrument to the client.

2. Access to and publication of firm quotes

Mortgage bonds and corporate bonds

Upon assessing whether you have the right to trade against the quote which we have made public and thereby provided to another client, we take into consideration a number of non-discriminatory criteria. We provide firm quotes, and a price quoted to another client may subsequently have been changed due to market conditions like development in interest rates and volatility. We operate with three client categories, among other things depending on to which trading system the client has access. The three client categories are differentiated between 1) personal and small corporate clients, 2) small financial institutions, 3) large financial institutions, asset managers, insurance companies, pension funds and large corporate clients.

Our SI quotes are published via Bloomberg APA and Deutsche Börse APA.

In addition, if you are a client of Jyske Bank, you have access to our firm SI quotes via our Netbank solution.

We will provide quotes during the standard trading hours of the primary market in which the mortgage bond is admitted to trading (Nasdaq OMX Copenhagen, 09:00-17:00 CET). For corporate bonds, we provide quotes during the standard opening hours for the relevant market.

We shall be entitled to withdraw quotes under exceptional market conditions.

Derivatives

Upon assessing whether you have the right to trade against the quote which we have made public and thereby provided to another client, we take into consideration a number of non-discriminatory criteria. We provide firm quotes, and a price quoted to another client may subsequently have been changed due to market conditions like development in interest rates and volatility. Our quotes on derivatives are all-in prices. This means that the quote is inclusive of client-specific costs, for instance a credit assessment and counterparty risk. If you as a client wants to trade based on a price quoted to another client, the client-specific costs may be different.

Our SI quotes are published via Bloomberg APA and Deutsche Börse APA.

We shall be entitled to withdraw quotes under exceptional market conditions.

4. Limitations

When we provide a firm quote to a client, we are only obliged to enter into one transaction based on that quote. When the client who requested the firm quote does not trade against it or only executes part of it, other clients within the same client category may trade against the firm quote or part of the firm quote.

Appendix 2: Equities & ETFs

Jyske Bank is systematic internaliser in Danish equities and exchange-traded funds (ETFs). At our website jyskebank.dk/investeringsinfo you can see a list of the equities and ETFs in which we are systematic internaliser.

Our obligations in connection with the role as systematic internaliser in equities and ETFs are described below.

Liquid market

When an equity or an ETF is traded on a liquid market, we are obliged to make firm quotes public. Our obligation to provide firm quotes only applies up until a certain trade size - the so-called standard market size (SMS). The SMS thresholds are set out in Annex II of Regulation (EU) 2017/587.

SMS is determined on the basis of the average value of transactions. If, for instance, you want to trade an instrument for which the average value of transactions is less than EUR 20,000, then the SMS will be EUR 10,000 according to the Regulation.

Illiquid market

When an equity or an ETF is traded on an illiquid market, we are obliged to make firm quotes public at your request.

2. Access to firm quotes

Our firm SI quotes are published via Deutsche Börse APA. This will apply whether the instrument is liquid or illiquid.

In addition, if you are a client of Jyske Bank, you have access to our firm SI quotes via our Netbank solution.

3. Prices

Our quotes on equities and ETFs are a “clean price”. This means that you can trade against the quote made public. A charge will be added to the quote.

We will provide firm quotes for equities and ETFs during the standard trading hours for the relevant market¹ on which the instrument is traded. Jyske Bank is alone SI in equities and equity-like instruments where the relevant market is Nasdaq Copenhagen. The opening hours for Nasdaq Copenhagen are 9:00-17:00 CET.

¹ Jyske Bank defines the relevant market as the primary market in relation to liquidity, cf. the definition of this in Article 4 of Regulation (EU) 2017/587.

We shall be entitled to withdraw quotes under exceptional market conditions.

4. Limitations

We are obliged to quote trade sizes corresponding to 10% of the standard market size (SMS). In addition, we reserve the right to reject your order if we experience that multiple clients want to trade against the same quote and the execution of the requested quotes will contravene Jyske Bank's internal risk management procedures.