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Financial Stability: JAK is sold in half a year

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"We expect to sell as many of the bank's activities and customers as possible to other financial institutions. We can usually do this within a few months, and we expect to have the bank sold within the next six months."

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That's what the managing director of Finansiel Stabilitet, Henrik Bjerre-Nielsen, who yesterday took over as chairman of the cooperative bank JAK

With a balance sheet of almost DKK 300 million, says. DKK, Slagelse-based JAK is the smallest bank that Finansiel Stabilitet has taken over so far.

JAK does not clear payments itself

Henrik Bjerre-Nielsen explains that there are significant distances between the way Finansiel Stabilitet normally works and the way they have worked in JAK

Therefore, Finansiel Stabilitet is still in the process of the work that they started late last night to form a precise overview of the co-operative fund's activities and take control of them so that they can function according to Finansiel Stabilitet's business processes and principles.

"JAK has, among other things, a different setup than the banks and savings banks that we have taken over over time. They have not run directly on a data center and do not clear their payments themselves," he says. First bank crash after new rules

Andelskassen JAK is the first bank that Finansiel Stabilitet has taken over since the new BRRD rules, which include includes a new bankruptcy scheme, which means that the largest depositors are more exposed than before, but since JAK only has 4,600 customers, and all deposits up to DKK 750,000 are insured, this will not be felt by the customers, according to Henrik Bjerre - Nielsen.

"We don't have an overview yet, but our expectation is that there are relatively few millions beyond that. The technology may be different, but the result from the customers' side will be the same," he says.

Finansiel Stabilitet was only finally notified by the Danish Financial Supervisory Authority yesterday afternoon, and therefore they have not yet appointed any lawyers to run the mandatory impartial legal investigation of the bank.

Management remains silent

The bank's management has not wanted to comment on JAK's fate.

"I don't really have any comments other than that it is of course deeply regrettable that we ended up where we ended up," says Jakob Mikkelsen, chairman of the cooperative fund's board of representatives.

Nor will the bank's former director, Henning Vognstrup, who works in the Thisted and Morsø branches, comment.

"I am understandably required to remain silent," he writes in an e-mail to Børsen.

Andelskassen JAK, which lacked around DKK 10 million. DKK, has long had significant weaknesses according to the Danish Financial Supervisory Authority.

The cooperative fund has therefore been examined every year since 2010.

"In connection with the investigations carried out, the Financial Supervisory Authority has found that the cooperative has significant deficiencies in management and control, which in several cases has resulted in orders for increased write-downs and higher solvency requirements," wrote the Financial Supervisory Authority in a decision on 2 October.
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