

Danske Bank Group

Indicators for assessing systemically important banks

1. Introduction

The Basel Committee on Basel Supervision (BCBS) has developed a methodology for identifying global systematic important banks (G-SIBs), based on the framework established by the Financial Stability Board (FSB). The BCBSs methodology applies an indicator-based measurement approach. The 12 indicators are designed to reflect the different aspects of potential negative externalities of a bank's failure and its critical functions for the stability of the financial system. The European Banking Authority (EBA) has requested large institutions to disclose the indicators developed by the BCBS. Danske Bank is not considered a G-SIB, however with an overall exposure (Basel III leverage ratio exposure definition) exceeding EUR 200 billion, Danske Bank is required to disclose the 12 indicators on a consolidated basis. The 12 indicators are presented below.

2. Principles for calculation of indicators

The data is prepared based on the definitions outlined in the BCBS's instructions for the end-2014 G-SIB assessment exercise. However, these definitions are subject to interpretation and may not be directly comparable with other disclosures by Danske Bank. Differences may also arise as there is a requirement to use the regulatory scope of consolidation which differs from the consolidation definition applied under IFRSs. The reporting period is the financial year ending 31 December 2014.

3. Disclosure

General Bank Data	
Section 1 - General Information	
a. General information provided by the relevant supervisory authority:	
(2) Bank name	Danske Bank Group
(3) Reporting date (yyyy-mm-dd)	2014-12-31
(4) Reporting currency	DKK
(5) Euro conversion rate	0.134312922
b. General Information provided by the reporting institution:	
(1) Reporting unit	1,000,000
(2) Accounting standard	IFRS
(5) Web address of public disclosure	www.danskebank.com
Size Indicator	
Section 2 - Total Exposures	
	Amount in million DKK
a. Counterparty exposure of derivatives contracts	85,459
b. Gross value of securities financing transactions (SFTs)	469,418
c. Counterparty exposure of SFTs	7,355
d. Other assets	2,462,662
(1) Securities received in SFTs that are recognised as assets	0
e. Total on-balance-sheet items (sum of items 2.a, 2.b, 2.c, and 2.d, minus 2.d.(1))	3,024,894
f. Potential future exposure of derivative contracts	125,866
g. Notional amount of off-balance-sheet items with a 0% credit conversion factor	14,106
(1) Unconditionally cancellable credit card commitments	6,422
(2) Other unconditionally cancellable commitments	7,580
h. Notional amount of off-balance-sheet items with a 20% credit conversion factor	60,405
i. Notional amount of off-balance-sheet items with a 50% credit conversion factor	160,868
j. Notional amount of off-balance-sheet items with a 100% credit conversion factor	331,951
k. Total off-balance-sheet items (sum of items 2.f, 2.g, and 2.h through 2.j, minus 0.9 times the sum of items 2.g.(1) and 2.g.(2))	680,594
l. Entities consolidated for accounting purposes but not for risk-based regulatory purposes:	
(1) On-balance-sheet assets	0
(2) Potential future exposure of derivatives contracts	0
(3) Unconditionally cancellable commitments	0
(4) Other off-balance-sheet commitments	0
(5) Investment value in the consolidated entities	0
m. Regulatory adjustments	25,903
n. Total exposures indicator (sum of items 2.e, 2.k, 2.l.(1), 2.l.(2), 0.1 times 2.l.(3), 2.l.(4), minus the sum of items 2.l.(5) and 2.m)	3,679,585
Interconnectedness Indicators	
Section 3 - Intra-Financial System Assets	
	Amount in million DKK
a. Funds deposited with or lent to other financial institutions	50,206
(1) Certificates of deposit	9,027
b. Unused portion of committed lines extended to other financial institutions	10,814
c. Holdings of securities issued by other financial institutions:	
(1) Secured debt securities	372,648
(2) Senior unsecured debt securities	6,017
(3) Subordinated debt securities	6,017
(4) Commercial paper	9,027
(5) Equity securities	23,209*
(6) Offsetting short positions in relation to the specific equity securities included in item 3.c.(5)	0
d. Net positive current exposure of securities financing transactions with other financial institutions	243
e. Over-the-counter derivatives with other financial institutions that have a net positive fair value:	
(1) Net positive fair value	7,912
(2) Potential future exposure	112,393
f. Intra-financial system assets indicator (sum of items 3.a, 3.b through 3.c.(5), 3.d, 3.e.(1), and 3.e.(2), minus 3.c.(6))	598,487
Key:	
* The figure has changed since initial disclosure on www.danskebank.com on 30 April 2015. Initial figure disclosed was DKK 25m. The change reflects primarily the holding in the insurance subsidiary Danica, which has now been included.	

Section 4 - Intra-Financial System Liabilities		Amount in million DKK
a. Deposits due to depository institutions		77,510
b. Deposits due to non-depository financial institutions		9,735
c. Unused portion of committed lines obtained from other financial institutions		0
d. Net negative current exposure of securities financing transactions with other financial institutions		339
e. Over-the-counter derivatives with other financial institutions that have a net negative fair value:		
(1) Net negative fair value		4,702
(2) Potential future exposure		24,202
f. Intra-financial system liabilities indicator (sum of items 4.a through 4.e.(2))		116,487

Section 5 - Securities Outstanding		Amount in million DKK
a. Secured debt securities		882,437
b. Senior unsecured debt securities		115,019
c. Subordinated debt securities		41,028
d. Commercial paper		6,159
e. Certificates of deposit		19,514
f. Common equity		167,298
g. Preferred shares and any other forms of subordinated funding not captured in item 5.c.		5,538
h. Securities outstanding indicator (sum of items 5.a through 5.g)		1,236,993

Substitutability/Financial Institution Infrastructure Indicators

Section 6 - Payments made in the reporting year (excluding intragroup payments)	Reported in	Amount in millions of the specified currency	Amount in million DKK
a. Australian dollars	AUD	AUD 510	2,587
b. Brazilian real	BRL	BRL 0	0
c. Canadian dollars	CAD	CAD 714	3,631
d. Swiss francs	CHF	CHF 3,463	21,257
e. Chinese yuan	CNY	CNY 700	638
f. Euros	EUR	EUR 148,532	1,107,278
g. British pounds	GBP	GBP 32,708	302,606
h. Hong Kong dollars	HKD	HKD 1,106	802
i. Indian rupee	INR	INR 2,699	249
j. Japanese yen	JPY	JPY 177,514	9,437
k. Swedish krona	SEK	SEK 738,265	605,132
l. United States dollars	USD	USD 68,282	383,758
m. Payments activity indicator (sum of items 6.a through 6.l)			2,437,374

Section 7 - Assets Under Custody	Amount in million DKK
a. Assets under custody indicator	647,820

Section 8 - Underwritten Transactions in Debt and Equity Markets	Amount in million DKK
a. Equity underwriting activity	3,382
b. Debt underwriting activity	161,159
c. Underwriting activity indicator (sum of items 8.a and 8.b)	164,541

Complexity indicators

Section 9 - Notional Amount of Over-the-Counter (OTC) Derivatives	Amount in million DKK
a. OTC derivatives cleared through a central counterparty	29,221,189
b. OTC derivatives settled bilaterally	17,573,252
c. OTC derivatives indicator (sum of items 9.a and 9.b)	46,794,441

Section 10 - Trading and Available-for-Sale Securities	Amount in million DKK
a. Held-for-trading securities (HFT)	484,191
b. Available-for-sale securities (AFS)	58,543
c. Trading and AFS securities that meet the definition of Level 1 assets	408,374
d. Trading and AFS securities that meet the definition of Level 2 assets, with haircuts	114,206
e. Trading and AFS securities indicator (sum of items 10.a and 10.b, minus the sum of 10.c and 10.d)	20,154

Section 11 - Level 3 Assets	Amount in million DKK
a. Level 3 assets indicator (Assets valued using Level 3 measurement inputs)	7,692

Cross-Jurisdictional Activity Indicators

Section 12 - Cross-Jurisdictional Claims	Amount in million DKK
a. Cross-jurisdictional claims indicator (Total foreign claims on an ultimate risk basis)	1,344,084

Section 13 - Cross-Jurisdictional Liabilities	Amount in million DKK
a. Foreign liabilities (excluding derivatives and local liabilities in local currency)	1,363,100
(1) Any foreign liabilities to related offices included in item 13.a.	250,196
b. Local liabilities in local currency (excluding derivatives activity)	1,168,145
c. Cross-jurisdictional liabilities indicator (sum of items 13.a and 13.b, minus 13.a.(1))	2,281,048