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-2017 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 2017.

3. Disclosure

General Bank Data

Section 1 - General Information	GSIB	Response
a. General information provided by the relevant supervisory authority:		
(1) Country code	1001	DK
(2) Bank name	1002	DanskeBank
(3) Reporting date (yyyy-mm-dd)	1003	2017-12-31
(4) Reporting currency	1004	DKK
(5) Euro conversion rate	1005	0,134320139
(6) Submission date (yyyy-mm-dd)	1006	2017-04-26
b. General Information provided by the reporting institution:		
(1) Reporting unit	1007	1.000.000
(2) Accounting standard	1008	IFRS
(3) Date of public disclosure (yyyy-mm-dd)	1009	2017-12-31
(4) Language of public disclosure	1010	English
(5) Web address of public disclosure	1011	https://danskebank.com/investor-relations/regulation

Size Indicator

Section 2 - Total Exposures	GSIB	Amount in million DKK
a. Derivatives		
(1) Counterparty exposure of derivatives contracts	1012	36.821
(2) Capped notional amount of credit derivatives	1201	4.289
(3) Potential future exposure of derivative contracts	1018	149.210
b. Securities financing transactions (SFTs)		
(1) Adjusted gross value of SFTs	1013	238.099
(2) Counterparty exposure of SFTs	1014	7.937
c. Other assets	1015	2.662.754
d. Gross notional amount of off-balance sheet items		
(1) Items subject to a 0% credit conversion factor (CCF)	1019	59.408
(2) Items subject to a 20% CCF	1022	124.699
(3) Items subject to a 50% CCF	1023	331.865
(4) Items subject to a 100% CCF	1024	141.894
e. Regulatory adjustments	1031	12.799
f. Total exposures indicator (Total exposures prior to regulatory adjustments) (sum of items 2.a.(1) thorough 2.c, 0.1 times 2.d.(1), 0.2 times 2.d.(2), 0.5 times 2.d.(3), and 2.d.(4))	1103	3.437.817

Interconnectedness Indicators

Section 3 - Intra-Financial System Assets	GSIB	Amount in million DKK
a. Funds deposited with or lent to other financial institutions	1033	39.943
(1) Certificates of deposit	1034	1.276
b. Unused portion of committed lines extended to other financial institutions	1035	4.230
c. Holdings of securities issued by other financial institutions:		
(1) Secured debt securities	1036	247.415
(2) Senior unsecured debt securities	1037	2.043
(3) Subordinated debt securities	1038	2.043
(4) Commercial paper	1039	1.276
(5) Equity securities	1040	21.157
(6) Offsetting short positions in relation to the specific equity securities included in item 3.c.(5)	1041	3.108
d. Net positive current exposure of securities financing transactions with other financial institutions	1213	365
e. Over-the-counter derivatives with other financial institutions that have a net positive fair value:		
(1) Net positive fair value	1043	3.088
(2) Potential future exposure	1044	35.086
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))	1045	353.538

Section 4 - Intra-Financial System Liabilities	GSIB	Amount in million DKK
a. Funds deposited by or borrowed from other financial institutions:		
(1) Deposits due to depository institutions	1046	54.414
(2) Deposits due to non-depository financial institutions	1047	161.945
(3) Loans obtained from other financial institutions	1105	0
b. Unused portion of committed lines obtained from other financial institutions	1048	0
c. Net negative current exposure of securities financing transactions with other financial institutions	1214	346
d. Over-the-counter derivatives with other financial institutions that have a net negative fair value:		
(1) Net negative fair value	1050	2.346
(2) Potential future exposure	1051	28.239
e. Intra-financial system liabilities indicator (sum of items 4.a.(1) through 4.d.(2))	1052	247.290

Section 5 - Securities Outstanding	GSIB	
a. Secured debt securities	1053	962.634
b. Senior unsecured debt securities	1054	132.270
c. Subordinated debt securities	1055	25.319
d. Commercial paper	1056	42.769
e. Certificates of deposit	1057	58.557
f. Common equity	1058	226.338
g. Preferred shares and any other forms of subordinated funding not captured in item 5.c.	1059	0
h. Securities outstanding indicator (sum of items 5.a through 5.g)	1060	1.447.887

Substitutability/Financial Institution Infrastructure Indicators

Section 6 - Payments made in the reporting year (excluding intragroup payments)	GSIB	Amount in million DKK
a. Australian dollars (AUD)	1061	6.907
b. Brazilian real (BRL)	1062	0
c. Canadian dollars (CAD)	1063	22.374
d. Swiss francs (CHF)	1064	13.606
e. Chinese yuan (CNY)	1065	1.060
f. Euros (EUR)	1066	2.331.968
g. British pounds (GBP)	1067	464.757
h. Hong Kong dollars (HKD)	1068	1.737
i. Indian rupee (INR)	1069	500
j. Japanese yen (JPY)	1070	16.385
k. Mexican pesos (MXN)	1108	2.841
l. Swedish krona (SEK)	1071	1.003.109
m. United States dollars (USD)	1072	997.920
n. Payments activity indicator (sum of items 6.a through 6.m)	1073	4.863.164

Section 7 - Assets Under Custody	GSIB	Amount in million DKK
a. Assets under custody indicator	1074	1.138.191

Section 8 - Underwritten Transactions in Debt and Equity Markets	GSIB	Amount in million DKK
a. Equity underwriting activity	1075	0
b. Debt underwriting activity	1076	154.821
c. Underwriting activity indicator (sum of items 8.a and 8.b)	1077	154.821

Complexity indicators

Section 9 - Notional Amount of Over-the-Counter (OTC) Derivatives	GSIB	Amount in million DKK
a. OTC derivatives cleared through a central counterparty	1078	21.799.710
b. OTC derivatives settled bilaterally	1079	15.859.575
c. OTC derivatives indicator (sum of items 9.a and 9.b)	1080	37.659.285

Section 10 - Trading and Available-for-Sale Securities	GSIB	Amount in million DKK
a. Held-for-trading securities (HFT)	1081	275.760
b. Available-for-sale securities (AFS)	1082	78.863
c. Trading and AFS securities that meet the definition of Level 1 assets	1083	330.388
d. Trading and AFS securities that meet the definition of Level 2 assets, with haircuts	1084	19.246
e. Trading and AFS securities indicator (sum of items 10.a and 10.b, minus the sum of 10.c and 10.d)	1085	4.989

Section 11 - Level 3 Assets	GSIB	Amount in million DKK
a. Level 3 assets indicator (Assets valued for accounting purposes using Level 3 measurement inputs)	1086	7.051

Cross-Jurisdictional Activity Indicators

Section 12 - Cross-Jurisdictional Claims	GSIB	Amount in million DKK
a. Cross-jurisdictional claims indicator (Total foreign claims on an ultimate risk basis)	1087	1.349.499

Section 13 - Cross-Jurisdictional Liabilities	GSIB	Amount in million DKK
a. Foreign liabilities (excluding derivatives and local liabilities in local currency)	1088	955.483
(1) Any foreign liabilities to related offices included in item 13.a.	1089	0
b. Local liabilities in local currency (excluding derivatives activity)	1090	596.314
c. Cross-jurisdictional liabilities indicator (sum of items 13.a and 13.b, minus 13.a.(1))	1091	1.551.797