

## MEMORANDUM

26 June 2015  
File No. 520-0068

### Danske Bank A/S as a systemically important financial institution (SIFI)

In 2014, the Danish Financial Supervisory Authority (FSA) designated Danske Bank A/S as a systemically important financial institution (SIFI) in pursuance of section 308 of the Danish Financial Business Act. The designation took place because Danske Bank A/S, on a consolidated basis in two consecutive years, stood above the threshold values for one or more of the three indicators shown below.

In order to stop being a SIFI, a SIFI must be below the threshold values for the three indicators shown below for three consecutive years (see section 308(4) of the Financial Business Act). The FSA can determine that Danske Bank A/S still stands above the threshold values for all three indicators.

#### Indicators

	2014	2013	Threshold
Institution's total assets as a % of GDP	165.6	160.2	> 6.5
Institution's lending in Denmark as a % of total lending by banks and mortgage finance institutions in Denmark	30.5	30.4	> 5.0
Institution's deposits in Denmark as a % of total deposits held by banks in Denmark	35.8	35.9	> 5.0

Upon the designation as a SIFI last year, the FSA calculated Danske Bank A/S's systemic importance to be 37.4 (see section 308(6) of the Financial Business Act).

This year Danske Bank A/S's systemic importance is 37.7. Systemic importance is calculated as an average of the factors shown below (see section 308(6) of the Financial Business Act). Please note that two of the factors are the same as the indicators shown above.

#### Factors and systemic importance

	2014
Institution's total assets as % of total assets of banks, mortgage finance institutions and class I investment companies in Denmark	46.8
Institution's lending in Denmark as % of total lending by banks and mortgage finance institutions in Denmark	30.5
Institution's deposits in Denmark as a % of total deposits held by banks in Denmark	35.8
<b>Systemic importance</b>	<b>37.7</b>

On the basis of the calculation of systemic importance, banks are placed in various categories of systemic importance (see section 308(7) of the Financial Business Act). Danske Bank A/S falls into category 5 (see the table below).

<b>Categories of systemic importance</b>	
	<i>Systemic importance</i>
Category 1	$\leq 5$
Category 2	[5-15[
Category 3	[15-25[
Category 4	[25-35[
Category 5	$\geq 35$

Danske Bank A/S must meet a capital requirement in the form of a SIFI buffer requirement of 3% that reflects the institution's systemic importance (see section 23(4) of Danish Act No. 268 of 25 March 2014). The SIFI buffer requirement must be met with CET1 capital. The requirement will be phased in during the period 2015-19. The SIFI buffer requirement must be met at the specified percentage at both the consolidated level for the group and the individual level for each financial institution and mortgage credit institution in the group (see section 309(2) of the Financial Business Act).

The Danish Minister of Business and Growth sets the SIFI buffer requirements within the framework for the systemic buffer (see sections 125h (cf. section 125a(6)) of the Financial Business Act).