

The Danish Financial Supervisory Authority
21 June 2018

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

In pursuance of section 308 of the Danish Financial Business Act, the Danish Financial Supervisory Authority (the FSA) investigates once a year whether the designated systemically important financial institutions (SIFIs) remain above the threshold values for any of the three indicators shown below that define a SIFI.

In order to stop being a SIFI, an institution must be below the threshold values for the three indicators shown below for three consecutive years (see section 308(4) of the Danish Financial Business Act).

The FSA observes that Danske Bank A/S remains above the threshold values for all three indicators.

Indicators

	2017	2016	Threshold
The institution's total assets as a percentage of GDP	148.9	153.2	> 6.5
The institution's lending in Denmark as a percentage of the total lending in Denmark provided by Danish financial and mortgage credit institutions	28.3	31.2	> 5.0
The institution's deposits in Denmark as a percentage of the total deposits in Denmark held by Danish financial institutions	34.3	43.8	> 5.0

The FSA has calculated Danske Bank A/S's systemic importance to be 35.8 (see section 308(6) of the Danish Financial Business Act). Systemic importance is calculated as an average of the factors shown below (see section 308(6) of the Danish Financial Business Act). Two of the factors are the same as the indicators shown above.

Factors and systemic importance

	2017
The institution's total assets as a percentage of the total assets held by Danish financial and mortgage credit institutions as well as class I investment companies	44.6
The institution's lending in Denmark as a percentage of the total lending in Denmark provided by Danish financial and mortgage credit institutions	28.3
The institution's deposits in Denmark as a percentage of the total deposits in Denmark held by Danish financial institutions	34.3
Systemic importance	35.8

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

Categories of systemic importance

	Systemic importance
Category 1	≤ 5
Category 2	[5-15[
Category 3	[15-25[
Category 4	[25-35[
Category 5	≥ 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 common equity tier 1 (CET1) capital. The requirement will be phased in during the period 2015-19. The SIFI buffer requirement must be met at the same percentage at both the consolidated level for the group and at the individual level for each financial and mortgage credit institution in the group (see section 309(2) of the Danish Financial Business Act).

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