

The Danish Financial Supervisory Authority

29 June 2020

Danske Bank A/S as a systemically important financial institution

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

An institution will cease to be designated as a SIFI if it remains 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

	2019	2018	Threshold
The Group's total assets as a percentage of GDP	140.2	140.1	> 6.5
The Group's lending in Denmark as a percentage of the total lending in Denmark provided by Danish financial and mortgage credit institutions	29.1	29.16	> 5.0
The Group's deposits in Denmark as a percentage of the total deposits in Denmark held by Danish financial institutions	36.0	35.2	> 3.0

Note: The calculation of the lending and deposits indicators follows the Danish Executive Order on the Calculation of Indicators and Factors for the Designation of Systemically Important Financial Institutions etc. The executive order was most recently revised to include significant branches of foreign credit institutions in the calculations.

The FSA has calculated Danske Bank A/S's systemic importance to be 35.9 (see section 308(6) of the 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

	2019
The Group'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	42.6
The Group's lending in Denmark as a percentage of the total lending in Denmark provided by Danish financial and mortgage credit institutions	29.1
The Group's deposits in Denmark as a percentage of the total deposits in Denmark held by Danish financial institutions	36.0
Systemic importance	35.9

Note: The calculation of the indicators follows the Danish Executive Order on the Calculation of Indicators and Factors for the Designation of Systemically Important Financial Institutions etc. The executive order was most recently revised to include significant branches of foreign credit institutions in the calculations.

On the basis of the calculation of systemic importance, financial institutions are placed in 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

	<i>Systemic importance</i>
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 309(3), cf. section 125h, cf. section 125a(6), of the Danish Financial Business Act). The SIFI buffer requirement must be met with common equity tier 1 (CET1) capital. 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).