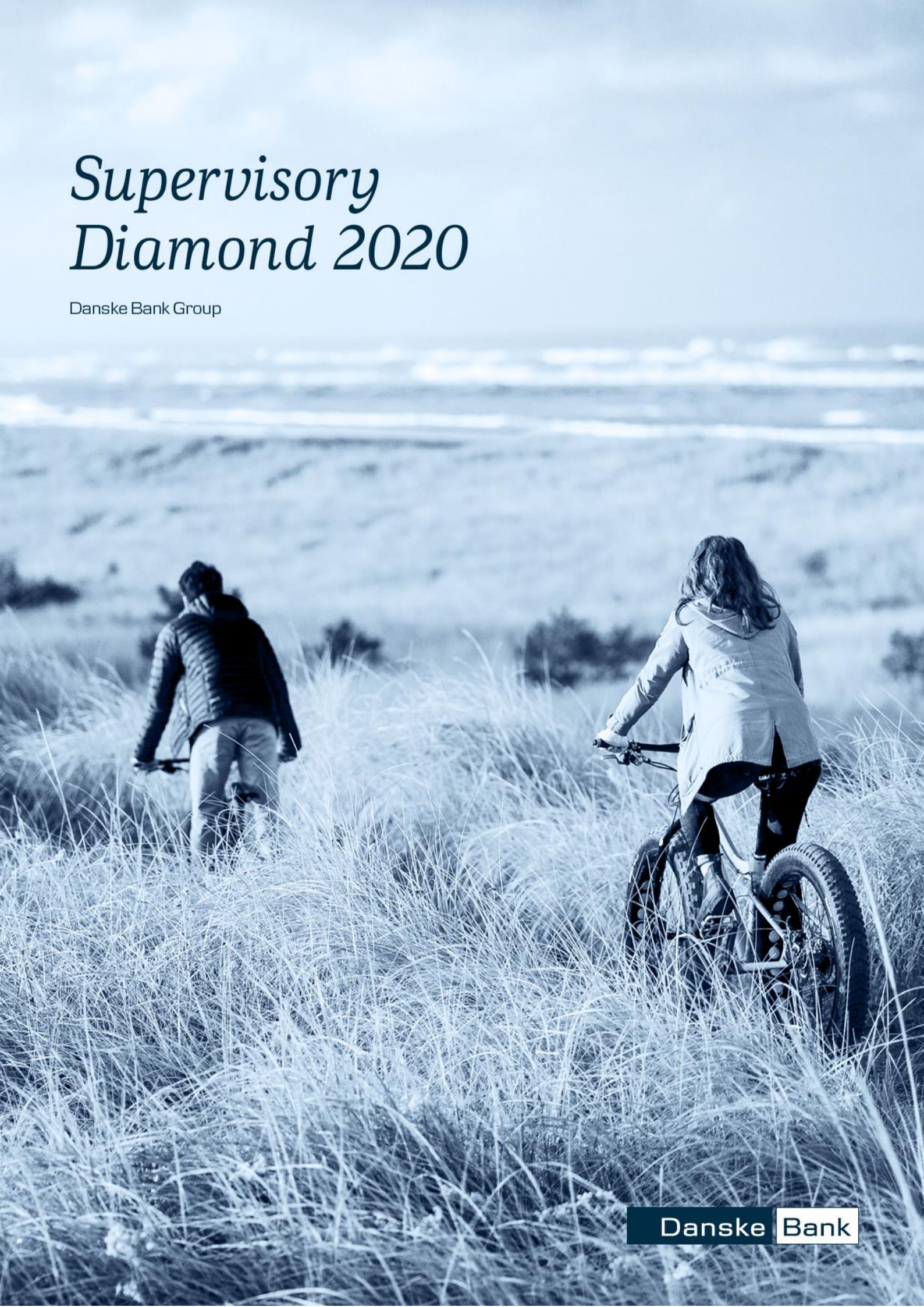


# *Supervisory Diamond 2020*

Danske Bank Group



Danske Bank

## 1. Contents

Danske Bank has issued this report on compliance with the Danish FSA's Supervisory Diamond to comply with the disclosure requirements of section 132 (b) of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. of 26 March 2014.

The report covers Danske Bank A/S and is a supplement to Danske Bank's annual report for 2020.

### Conclusion

At 31 December 2020, Danske Bank A/S complied with all the limit values.

Supervisory Diamond (%)	Limit value	31 December 2020	31 December 2019
Sum of large exposures	<175	119	125
Lending growth	<20	-2	3
Real property exposure	<25	13	13
Stable funding ratio	<100	54	63
Liquidity indicator	>100	144	128

## 2. Supervisory Diamond benchmarks

The FSA has established a number of benchmarks and set limit values for special risk areas within banking activities (the Supervisory Diamond). All Danish banks must comply with the limit values.

The limit values relate to five special risk areas:

- Sum of large exposures less than 175%
  - The limit values of the Supervisory Diamond for the sum of the 20 largest exposures are based on the exposure value net of the effect of the credit risk reduction and the exceptions etc. resulting from the provisions of the CRR and national adjustments.
- Lending growth less than 20%
  - Lending growth is measured year-on-year. Lending is calculated excluding repos and after impairments.
- Real property exposure less than 25%
  - Real property exposure is defined as the share of total lending and guarantees to the real property and building projects industry segments as reported to the FSA.
- Funding ratio less than 1
  - The funding ratio expresses the ratio between lending and stable funding, which is defined as working capital less bond issues with a term to maturity shorter than one year. Working capital consists of deposits, issued bonds etc., subordinated debt and shareholders' equity.
- Liquidity indicator must be greater than 100%
  - The liquidity indicator expresses a bank's ability to cope with a three-month liquidity stress. The liquidity indicator ensures that banks respond in time to potential challenges in relation to the statutory LCR requirements; the greater the liquidity risks a bank has, the greater the requirement to excess coverage to the legal LCR requirements.

## 3. Additional information

This report is updated on a quarterly basis and is published together with Danske Bank's interim and annual reports. It can be downloaded from Danske Bank's website, [www.danskebank.com/ir](http://www.danskebank.com/ir).

More information about the Supervisory Diamond is available at the Danish FSA's website <https://www.dfsa.dk/Supervision/Supervisory-Diamond-for-banks>.