

## The Danish Financial Supervisory Authority

21 June 2021

### 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 Danish FSA) annually checks 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 Danish FSA observes that Danske Bank A/S remains above the threshold values for all three indicators. Danske Bank A/S and Realkredit Danmark A/S are included for the purposes of the designation of Danske Bank A/S on a consolidated basis.

#### Indicators

	2020	2019	Threshold
The group's total assets as a percentage of GDP	152.8	140.2	> 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	27.8	29.1	> 5.0
The group's deposits in Denmark as a percentage of the total deposits in Denmark held by Danish financial institutions	36.7	36.0	> 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., which was most recently revised to include significant branches of foreign credit institutions in the calculations.

The Danish FSA has calculated Danske Bank A/S's systemic importance to be 36.2 (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

	2020
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	44.1
The group's lending in Denmark as a percentage of the total lending in Denmark provided by Danish financial and mortgage credit institutions	27.8
The group's deposits in Denmark as a percentage of the total deposits in Denmark held by Danish financial institutions	36.7
<b>Systemic importance</b>	<b>36.2</b>

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., which 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	$\leq 5$
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 309(3), cf. section 125g, cf. section 125a(7), of the Danish Financial Business Act). The SIFI buffer requirement must be met with common equity tier 1 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 included 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 (see section 125g, cf. section 125a(7), of the Danish Financial Business Act).