Danske Bank Group
Indicators for assessing systemically important banks

1. Introduction

The Basel Committee on Basel Supervision (BCBS) has developed a methodology for identifying global systematic important banks (G-SIBs), based on the framework established by the Financial Stability Board (FSB). The BCBSs methodology applies an indicator-based measurement approach. The 12 indicators are designed to reflect the different aspects of potential negative externalities of a bank's failure and its critical functions for the stability of the financial system. The European Banking Authority (EBA) has requested large institutions to disclose the indicators developed by the BCBS. Danske Bank is not considered a G-SIB, however with an overall exposure (Basel III leverage ratio exposure definition) exceeding EUR 200 billion, Danske Bank is required to disclose at least the 12 indicators on a consolidated basis. The 12 indicators are presented below.

2. Principles for calculation of indicators

The data is prepared based on the definitions outlined in the BCBS's instructions for the end-2020 G-SIB assessment exercise. However, these definitions are subject to interpretation and may not be directly comparable with other disclosures by Danske Bank. Differences may also arise as there is a requirement to use the regulatory scope of consolidation which differs from the consolidation definition applied under IFRSs. The reporting period is the financial year ending 31 December 2020.

3. Disclosure

General Bank Data

Section 1 - General Information	GSIB	Response
a. General information provided by the relevant supervisory authority:		
(1) Country code	1001	DK
(2) Bank name	1002	Danske Bank
(3) Reporting date (yyyy-mm-dd)	1003	2020-12-31
(4) Reporting currency	1004	DKK
(5) Euro conversion rate	1005	0,133841933
(6) Submission date (yyyy-mm-dd)	1006	2021-04-28
b. General Information provided by the reporting institution:		
(1) Reporting unit	1007	1.000.000
(2) Accounting standard	1008	IFRS
(3) Date of public disclosure (yyyy-mm-dd)	1009	2021-04-28
(4) Language of public disclosure	1010	EN
(5) Web address of public disclosure	1011	https://danskebank.com/-/media/danske-bank-com/file-cloud/2020/4
(6) LEI code	2015	MAES062Z21O4RZ2U7M96

Size Indicator

Section 2 - Total Exposures	GSIB	Amount in million DKK
a. Derivatives		
(1) Counterparty exposure of derivatives contracts	1012	47.734
(2) Capped notional amount of credit derivatives	1201	2.899
(3) Potential future exposure of derivative contracts	1018	92.325
b. Securities financing transactions (SFTs)		
(1) Adjusted gross value of SFTs	1013	261.210
(2) Counterparty exposure of SFTs	1014	6.347
c. Other assets	1015	2.903.325
d. Gross notional amount of off-balance sheet items		
(1) Items subject to a 0% credit conversion factor (CCF)	1019	65.531
(2) Items subject to a 20% CCF	1022	153.139
(3) Items subject to a 50% CCF	1023	513.731
(4) Items subject to a 100% CCF	1024	22.416
e. Regulatory adjustments	1031	16.591
f. Total exposures indicator (Total exposures prior to regulatory adjustments) (sum of items 2.a.(1) thorough 2.c, 0.1 times 2.d.(1), 0.2 times 2.d.(2), 0.5 times 2.d.(3), and 2.d.(4))	1103	3.630.302

Interconnectedness Indicators

Section 3 - Intra-Financial System Assets	GSIB	Amount in million DKK
a. Funds deposited with or lent to other financial institutions	1033	27.053
(1) Certificates of deposit	1034	0
b. Unused portion of committed lines extended to other financial institutions	1035	3.885
c. Holdings of securities issued by other financial institutions:		
(1) Secured debt securities	1036	299.131
(2) Senior unsecured debt securities	1037	12.358
(3) Subordinated debt securities	1038	0
(4) Commercial paper	1039	4.092
(5) Equity securities	1040	25.673
(6) Offsetting short positions in relation to the specific equity securities included in item 3.c.(5)	1041	1.945
d. Net positive current exposure of securities financing transactions with other financial institutions	1213	251
e. Over-the-counter derivatives with other financial institutions that have a net positive fair value:		
(1) Net positive fair value	1043	7.808
(2) Potential future exposure	1044	37.246
f. Intra-financial system assets indicator (sum of items 3.a, 3.b through 3.c.(5), 3.d, 3.e.(1), and 3.e.(2), minus 3.c.(6))	1045	415.552

Section 4 - Intra-Financial System Liabilities	GSIB	Amount in million DKK
a. Funds deposited by or borrowed from other financial institutions:		
(1) Deposits due to depository institutions	1046	72.211
(2) Deposits due to non-depository financial institutions	1047	223.296
(3) Loans obtained from other financial institutions	1105	0
b. Unused portion of committed lines obtained from other financial institutions	1048	0
c. Net negative current exposure of securities financing transactions with other financial institutions	1214	288
d. Over-the-counter derivatives with other financial institutions that have a net negative fair value:		
(1) Net negative fair value	1050	1.509
(2) Potential future exposure	1051	16.840
e. Intra-financial system liabilities indicator (sum of items 4.a.(1) through 4.d.(2))	1052	314.144

Section 5 - Securities Outstanding	GSIB	
a. Secured debt securities	1053	1.085.853
b. Senior unsecured debt securities	1054	77.510
c. Subordinated debt securities	1055	28.379
d. Commercial paper	1056	14.180
e. Certificates of deposit	1057	14.051
f. Common equity	1058	85.962
g. Preferred shares and any other forms of subordinated funding not captured in item 5.c.	1059	0
h. Securities outstanding indicator (sum of items 5.a through 5.g)	1060	1.305.935

Substitutability/Financial Institution Infrastructure Indicators

Section 6 - Payments made in the reporting year (excluding intragroup payments)	GSIB	Amount in million DKK
a. Australian dollars (AUD)	1061	8.704
b. Brazilian real (BRL)	1062	0
c. Canadian dollars (CAD)	1063	18.699
d. Swiss francs (CHF)	1064	24.924
e. Chinese yuan (CNY)	1065	2.912
f. Euros (EUR)	1066	3.953.150
g. British pounds (GBP)	1067	575.865
h. Hong Kong dollars (HKD)	1068	1.824
i. Indian rupee (INR)	1069	648
j. Japanese yen (JPY)	1070	10.353
k. Mexican pesos (MXN)	1108	1.599
l. Swedish krona (SEK)	1071	1.273.145
m. United States dollars (USD)	1072	1.043.738
n. Payments activity indicator (sum of items 6.a through 6.m)	1073	6.915.561

Section 7 - Assets Under Custody	GSIB	Amount in million DKK
a. Assets under custody indicator	1074	1.276.764

Section 8 - Underwritten Transactions in Debt and Equity Markets	GSIB	Amount in million DKK
a. Equity underwriting activity	1075	0
b. Debt underwriting activity	1076	246.257
c. Underwriting activity indicator (sum of items 8.a and 8.b)	1077	246.257

Complexity indicators

Section 9 - Notional Amount of Over-the-Counter (OTC) Derivatives	GSIB	Amount in million DKK
a. OTC derivatives cleared through a central counterparty	1078	37.840.066
b. OTC derivatives settled bilaterally	1079	15.345.405
c. OTC derivatives indicator (sum of items 9.a and 9.b)	1080	53.185.471

Section 10 - Trading and Available-for-Sale Securities	GSIB	Amount in million DKK
a. Held-for-trading securities (HFT)	1081	337.608
b. Available-for-sale securities (AFS)	1082	116.772
c. Trading and AFS securities that meet the definition of Level 1 assets	1083	412.405
d. Trading and AFS securities that meet the definition of Level 2 assets, with haircuts	1084	12.359
e. Trading and AFS securities indicator (sum of items 10.a and 10.b, minus the sum of 10.c and 10.d)	1085	29.616

Section 11 - Level 3 Assets	GSIB	Amount in million DKK
a. Level 3 assets indicator (Assets valued for accounting purposes using Level 3 measurement inputs)	1086	5.109

Cross-Jurisdictional Activity Indicators

Section 12 - Cross-Jurisdictional Claims	GSIB	Amount in million DKK
a. Cross-jurisdictional claims indicator (Total foreign claims on an ultimate risk basis)	1087	2.042.016

Section 13 - Cross-Jurisdictional Liabilities	GSIB	Amount in million DKK
a. Foreign liabilities (excluding derivatives and local liabilities in local currency)	1088	778.748
(1) Any foreign liabilities to related offices included in item 13.a.	1089	0
b. Local liabilities in local currency (excluding derivatives activity)	1090	802.598
c. Cross-jurisdictional liabilities indicator (sum of items 13.a and 13.b, minus 13.a.(1))	1091	1.581.346