

The Danish Financial Supervisory Authority

21 June 2023

Danske Bank A/S as a systemically important financial institution

Pursuant to section 308 of the Danish Financial Business Act, the Danish Financial Supervisory Authority (the Danish FSA) annually designates financial institutions that can be characterised as systemically important financial institutions (SIFIs) because they exceed a threshold for determined systemic importance of 100 basis points.

The Danish FSA has determined Danske Bank A/S's systemic importance on a consolidated basis at 5,020 basis points pursuant to section 308(6) of the Danish Financial Business Act and Danish Executive Order No. 2515 of 14 December 2021 on the Calculation of Indicators and Factors for the Designation of Systemically Important Financial Institutions etc.

Factors and systemic importance (2022)

	Weighting	Indicator value (%) ¹	Weighted indicator value (%)
Total assets	6/24	42.4	10.6
Value of national payment transactions	2/24	53.4	4.4
Deposits in Denmark	2/24	33.6	2.8
Lending in Denmark	2/24	27.3	2.3
Nominal value of derivatives not listed on a regulated market (OTC derivatives)	2/24	80.4	6.7
Cross-jurisdictional liabilities	2/24	75.2	6.3
Cross-jurisdictional assets	2/24	67.5	5.6
Outstanding debt issues	2/24	31.0	2.6
Liabilities within the financial system (globally)	1/24	70.5	2.9
Assets within the financial system (globally)	1/24	54.2	2.3
Liabilities within the financial system (Denmark)	1/24	48.6	2.0
Assets within the financial system (Denmark)	1/24	40.7	1.7
Systemic importance expressed in basis points²			5,020

1. The value (%) of each indicator has been calculated as the group's share of the total value of all Danish financial and mortgage credit institutions and significant branches in Denmark of foreign financial and mortgage credit institutions.
2. Calculated as the total of weighted indicator values in per cent converted into basis points.

The Danish FSA concludes that the systemic importance determined for Danske Bank A/S on a consolidated basis exceeds 100 basis points (see the table above).

Realkredit Danmark A/S is included for the purposes of the designation of Danske Bank A/S on a consolidated basis.

An institution will cease to be designated as a SIFI if its determined systemic importance remains below 100 basis points for a period of three consecutive years (see section 308(4) of the Danish Financial Business Act).

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

Categories of systemic importance

	<i>Systemic importance expressed in basis points</i>
Category 1	$\leq 100-300[$
Category 2	$[300-1,000[$
Category 3	$[1,000-2,000[$
Category 4	$[2,000-4,000[$
Category 5	$4,000 \leq$

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).