

Supervisory Diamond 2023

Danske Bank

Danske Bank Group

Danske Bank

A woman with long blonde hair is wearing large black over-ear headphones and holding a smartphone in her left hand. She is looking off to the right with a slight smile. The background shows a body of water and a city skyline in the distance under a warm, golden sunset sky. The image is split vertically, with a dark blue background on the left and the photograph on the right.

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 as amended by Executive Order No. 1043 of 5 September 2017.

The report covers Danske Bank A/S and is a supplement to Danske Bank's Annual Report 2023.

Conclusion

At 31 December 2023, Danske Bank A/S complied with all the limit values.

Supervisory Diamond (%)	Limit value	31 December 2023	31 December 2022
Sum of large exposures	<175	94	113
Lending growth*	<20	-9	7
Real property exposure	<25	12	13
Liquidity indicator	>100	151	140

*Lending at the end of December 2023 includes the Personal Customers Norway portfolio, which is reclassified to Assets held for sale following the announcement in Q2 2023.

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 four 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.
- 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 is available for download from Danske Bank's website, www.danskebank.com/ir.

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