

The Supervisory Diamond
First Half 2015

Saxo Bank A/S

Introduction

According to the Danish executive order on Financial Reports for Credit institutions and Investment Firms Etc. section 132 b, Saxo Bank A/S is required to disclose information on the five limit values in the Supervisory Diamond based on the values in the Interim Report First Half for Saxo Bank A/S 2015.

The five limit values in the Supervisory Diamond

Sum of Large Exposures

A Large Exposure, according to CRR, article 392 is defined as a exposure where its value is equal or exceeds 10% of its eligible capital (sum of Tier 1 capital and Tier 2 capital that is equal or less than one third of Tier 1 capital), which in Saxo Bank A/S's case is the same as the Total Capital. The sum of Large Exposures in the Supervisory Diamond should be less than 125 % of the eligible capital.

For Saxo Bank A/S this value is 0 % at 30.06.2015.

All exposures against credit institutions are below the limit in the Supervisory Diamond (EUR 150 million) and are not included in the calculation.

Lending Growth

According to the Supervisory Diamond, the Lending Growth should be less than 20 % measured on a year-to-year basis.

For Saxo Bank A/S this value is -17.9 % at 30.06.2015.

Property Exposure

According to the Supervisory Diamond, the Property Exposure should be less than 25 % of the total loans and guarantees.

For Saxo Bank A/S this value is 30 % at 30.06.2015, thereby breaching the 25% limit.

The high percentage in Property Exposure reflects a very small proportion of lending, compared to the Bank's total assets. The above listed reduction in lending is against other lending categories than property and thereby brings the property exposure percent above the limit. The prime portion of the Property Exposure is against the subsidiary which owns the domicile of Saxo Bank A/S. The Bank currently has no growth strategy for property lending.

Funding ratio

The Funding Ratio presents the ratio of loans (funding requirements), and the stable funding in the form of working capital less debt securities with a maturity of less than one year. According to the Supervisory Diamond, the Funding Ratio should be less than 1.

For Saxo Bank A/S this value is 0.0028 at 30.06.2015.

The low value is due to the Bank's very low amount of loans compared to the Banks' balance sheet and working capital.

Excess Liquidity

Excess Liquidity is the surplus of liquidity after applying the regulatory minimum requirements set in the Financial Business Act section 152. According to the Supervisory Diamond, the Excess Liquidity should be greater than 50 %.

For Saxo Bank A/S the value is 273 % at 30.06.2014.

Hellerup, August 2015

Saxo Bank A/S