

The Supervisory Diamond

Saxo Bank A/S – H1 2016



Introduction

According to the Danish executive order on Financial Reports for Credit Institutions and Investment Firms, Saxo Bank A/S (“the Bank”) is required to disclose information on the five limit values in the Supervisory Diamond based on the H1 2016 Interim Report for Saxo Bank A/S.

The five limit values in the Supervisory Diamond

1. Sum of Large Exposures should be less than 125 % of the Eligible Capital

Large Exposure is defined as an exposure exceeding 10% of the Eligible Capital. The latter is defined as the sum of Tier 1 capital and Tier 2 capital (up to a maximum 1/3 of Tier 1 capital).

The Bank's sum of Large Exposures constitutes 0% of the Eligible Capital as per end of H1 2016.

2. Lending Growth should be less than 20 % measured on a year-to-year basis

The Bank's lending growth constitutes -20.4% on a year-to-year basis as per end of H1 2016.

3. Property Exposure should be less than 25 % of the total loans and guarantees

The Bank's property exposures constitute 31.1% of the total loans and guarantees as per end of H1 2016 and is thereby breaching the 25% limit.

The Bank's primary property exposure is the Bank's domicile, which is owned through a 100% owned subsidiary. The breach of the Supervisory Diamond limit is explained by that fact that the Bank's lending and guarantees only constitute a small part of the Bank's total assets.

The Bank has no plans for property lending.

4. Funding Ratio < 1

The Funding Ratio is defined as the ratio of loans (funding requirements) to stable funding defined as working capital less debt securities with a maturity of less than one year.

The Bank's Funding Ratio is 0.0003 as per end of H1 2016.

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 > 50%

Excess Liquidity is defined as the surplus of liquidity after applying the regulatory minimum requirements defined in the Financial Business Act section 152.

The Bank's Excess Liquidity constitutes 366.3% as per end of H1 2016.

Approved by the of Board of Directors, 29 September 2016

Lone Fønss Schrøder – Chairman of the Board

Henrik Normann – Vice Chairman of the Board

Jacob Polny – Member of the Board

Thomas Plenborg – Member of the Board

Asiff S. Hirji – Member of the Board

Wikawi Oei – Member of the Board