

# The Supervisory Diamond

Saxo Bank A/S - June 2017



## 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 Annual Report for Saxo Bank A/S 2017.

## The five limit values in the Supervisory Diamond

### Sum of Large Exposures

A Large Exposure, according to CRR article 392, is defined as an 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 % as of 30 June 2017.

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 79.9 % as of 30 June 2017, thereby breaching the 20% limit.

The growth observed relates to an intercompany loan, and as the balance of loans only constitute a fraction of the total balance in Saxo Bank A/S, even minor changes will result in large relative movements.

### 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 21.3 % as of 30 June 2017.

## **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 0.0032 as of 30 June 2017.

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 388.3 % as of 30 June 2017.

**Approved by the of Board of Directors, 30 August 2017**

---

**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**