

Sydbank A/S as a systemically important financial institution (SIFI)

Pursuant to section 308 of the Danish Financial Business Act, the Danish Financial Supervisory Authority (the Danish FSA) annually designates financial institutions as systemically important financial institutions (SIFIs) as they exceed a threshold value of a calculated systemic importance of 100 basis points.

The Danish FSA has calculated Sydbank A/S's systemic importance at 244 basis points, cf 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.

Indicators and systemic importance 2022

	<i>Weight</i>	<i>Indicator value, %¹</i>	<i>Weighted indicator value, %</i>
Total assets	6/24	2.3	0.6
Value of domestic payment transactions	2/24	1.7	0.1
Deposits in Denmark	2/24	6.2	0.5
Loans in Denmark	2/24	1.9	0.2
Value of OTC derivatives (notional)	2/24	0.5	0.04
Cross-jurisdictional liabilities	2/24	1.3	0.1
Cross-jurisdictional claims	2/24	2.0	0.2
Debt securities outstanding	2/24	0.4	0.04
Intra-financial system liabilities (worldwide)	1/24	3.2	0.1
Intra-financial system assets (worldwide)	1/24	3.8	0.2
Intra-financial system liabilities (Denmark)	1/24	4.9	0.2
Intra-financial system assets (Denmark)	1/24	4.6	0.2
Systemic importance calculated in basis points²			244

1. The indicator value of each indicator has been determined in percentage terms as the group's share of the total value of all Danish banks and mortgage credit institutions and significant branches in Denmark of foreign banks and mortgage credit institutions. 2. Calculated as the total of the weighted indicator values in percentage terms translated into basis points.

The Danish FSA has established that the calculated systemic importance of Sydbank A/S exceeds 100 basis points, cf the calculation above.

A systemically important financial institution (SIFI) must have a calculated systemic importance of less than 100 basis points in three consecutive years to stop being a SIFI, cf section 308(4) of the Danish Financial Business Act.

Based on the calculation of systemic importance, institutions are placed in categories of systemic importance, cf section 308(7) of the Danish Financial Business Act. Sydbank A/S is placed in category 1, see the table below.

Categories of systemic importance

	<i>Systemic importance calculated in basis points</i>
Category 1	$\leq 100-300[$
Category 2	$[300-1000[$
Category 3	$[1000-2000[$
Category 4	$[2000-4000[$
Category 5	$4000 \leq$

Sydbank A/S must meet a capital requirement by way of a SIFI buffer requirement of 1% reflecting the systemic importance (systemicity) of the institution, cf section 309(3), cf section 125g, cf section 125a(7) of the Danish Financial Business Act. The SIFI buffer requirement must be met in terms of CET1 capital. The SIFI buffer percentage requirement must be met at both a consolidated level for the group and at an individual level for each bank and mortgage credit institution forming part of the group, cf section 309(2) of the Danish Financial Business Act.

The SIFI buffer requirements are determined by the Danish Minister for Industry, Business and Financial Affairs, cf section 125g, cf section 125a(7) of the Danish Financial Business Act.