

The Supervisory Diamond 2014

Saxo Bank A/S, March 2015

Introduction

According to the Danish executive order on Financial Reports for Credit institutions and Investment Firms Etc. section 132 b, Saxo Bank A/S ("the bank") 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 2014.

This report is an annex to the Annual Report 2014 and is approved by the Board of Directors of Saxo Bank A/S in March 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 December 31, 2014.

All exposures against credit institutions are below the limit in the Supervisory Diamond (EUR 150 million) and 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 -78.6 % at December 31, 2014.

Lending is not a part of the Banks core business why the value of loans in the total balance sheet is very small compared to retail banks. Then a small change in lending amounts from year-to-year has a large impact on the above calculated percentage.

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 23.0 % at December 31, 2014, thereby close to the 25% limit.

The high percentage in Property Exposure reflects a very small proportion of lending, compared to the bank's total assets. 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 0.004 at December 31, 2014.

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 345 % at December 31, 2014.

Approval of Board of Directors, March 10, 2015

Asiff Hirji - Chairman

Lone Fønss Schrøder – Vice Chairman

Jacob Polny – Member of the Board

Thomas Stig Plenborg – Member of the Board

Sarah McPhee – Member of the Board