RISK REPORT 2015

SAXO BANK

Contents

1 Management Declaration

The Board of Directors assesses that the Group's risk management systems are adequate in relation to the Group's risk profile and strategy, and also comply with the applicable regulation. Furthermore, it is the Board of Directors' assessment that the following description of the Group's overall risk profile associated with the Group's business strategy and business model, reflects the actual risks. In additition, this Risk Report provides a relevant and a comprehensive review of the Group's risk management.

The Group's Board of Directors and Board of Management have approved the Risk Report for 2015 in accordance with article 435 in CRR.

Board of Directors

Lone Fønss Schrøder *Chairman*	Henrik Normann *Vice Chairman*	Asiff Hirji *Board Member*
Danny Oei *Board Member*	Thomas Plenborg *Board Member*	Jacob Polny *Board Member*

Board of Management

Kim Fournais
CEO

Søren Kyhl
COO

Steen Blaafalk
CFO/CRO

2. Introduction

2.1 Background

Saxo Bank A/S (the Bank) is a Danish bank based in Copenhagen with an EU-banking license. The Bank and the Saxo Bank Group (the Group) are therefore subject to the Capital Requirements Directive (CRD IV) and Capital Requirements Regulation (CRR), which is the implementation of the Basel III framework into European law. The CRD IV applies via national implementation, while the CRR is a single set of rules that applies directly to all banks in EU member states.

The EU Commission on a regular basis publishes Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS), based on recommendations from the European Banking Authority (EBA), which are referred to throughout the Risk Report.

In accordance with CRR, the Group discloses information concerning the Group's risks and policies relating to risk management, the calculation of Pillar I and Pillar II capital requirements, Own Funds, Leverage, Liquidity and Asset Encumbrance.

The Risk Report 2015 is available at www.saxobank.com/investor-relations

The information in the Risk Report has not been audited by the Group's internal or external auditors.

2.2 Additional disclosure reports according to Danish regulation

Under Danish law the Group must publish the result of the Internal Capital Adequacy Assessment Process (ICAAP) at least quarterly. The unaudited ICAAP report for the full year of 2015 is available at www.saxobank.com/investor-relations and covers both the Bank and the Group.

In addition, the Bank must publish a Supervisory Diamond report at least semi-annually. The Supervisory Diamond for banks sets up a number of Supervisory benchmarks for banking activities, which are regarded as having a higher risk profile, or otherwise of special importance. The unaudited Supervisory Diamond report as per end of year 2015 is available at www.saxobank.com/investor-relations and is appplicable only for the Bank.

2.3 FSA inspections in 2015

Disclosures concerning FSA inspections in 2015 can be found in the Group's annual report.

3 Scope of application

The following section covers the Group's scope of application according to the requirements set out in CRR.

3.1 Applicable institutions

CRR and the Danish implementation of CRD IV apply to **Saxo Bank A/S, Philip Heymans Allé 15, DK-2900 Hellerup, company registration no. 15 73 12 49**.

The Group is required to fulfil the above requirements in the regulation mentioned on both the Bank level and the Group level. Accordingly, this Risk Report covers both the Bank and the Group.

3.2 CRR disclosures requirements not covered by the Risk Report

The Bank has decided to omit non-material information about the Bank and the Group according to the general principles in CRR. This means that risks and positions with no exposure, or models that the Bank and the Group do not apply, do not appear in this Risk Report. These include:

- Indicators of global systemic importance according to Article 441 since the Bank is not classified as an institute of global systemic importance
- Credit risk adjustments according to 442 since the Bank has decided to disclose relevant information about credit risk adjustments in the Annual Report 2015

- Exposures to securitisation positions, cf. art. 449 in CRR, as the Bank and the Group do not have any securitisation positions
- Use of IRB Approach to credit risk according to art. 452 in CRR as the Group does not use this methodology to calculate the minimum capital requirement related to credit risk (Pillar I)
- Use of the Advanced Measurement Approach to operational risk according to Article 454 as the Bank does not use this Approach to calculate the minimum requirement related to operational risk (Pillar I)
- Use of Internal Market Risk Models according to Article 455 as the Bank does not use this Approach to calculate the minimum requirement related to market risk (Pillar I)

Regulatory disclosure requirements including Article 450 of CRR (Remuneration policy) are not covered by this Risk Report but disclosed in the "Remuneration Report Saxo Bank 2015" available at www.saxobank.com/investor-relations.

3.3 Information covered by the Risk Report and subsequent events

Information given in this Risk Report concerns the year 2015 unless otherwise stated.

3.4 Consolidation for accounting and prudential purposes

The following table shows specifications of the Group's subsidiaries, name of each subsidiary, types of licenses, country of residence, consolidation methods for accounting purposes, consolidation methods for prudential purposes and the local requirements that apply as of December 31, 2015. More information on regulatory capital can be found in section 6.

The same consolidation methods, cf. table 1, are used in the calculations of the Risk Exposure Amounts for credit risk and operational risk on the Group level. On the Group level, the elimination of internal transactions is not allowed when calculating the Risk Exposure Amounts for market risk. More information on Risk Exposure Amounts can be found in sections 7-9.

The liquidity requirements in CRR use other principles for consolidation purposes according to an issued report from EBA. More information regarding liquidity requirements can be found in section 11.

Table 1: Saxo Bank Subsidiaries

Owner	Company Name	Type of license	Domicile	Voting power of holding	IFRS Consolidation method	CRR	Local Regulation
-	Saxo Bank A/S	Licensed Bank	DENMARK	100%	Fully consolidated (1)	Fully consolidated	CRR (EU requirements)
Saxo Bank A/S	Saxo Banque France SAS, France	Licensed Bank	FRANCE	100%	Fully consolidated (1)	Fully consolidated	CRR (EU requirements)
Saxo Bank A/S	Saxo Bank Securities Ltd.	Licensed Broker	JAPAN	100%	Fully consolidated (1)	Fully consolidated	Local broker regulation
Saxo Bank A/S	Saxo Bank (Switzerland) AG, Switzerland	Licensed Bank	SWITZERLAND	100%	Fully consolidated (1)	Fully consolidated	Local requirements based on Basel II
Saxo Bank A/S	Saxo Capital Markets CY Limited, Cyprus	Licensed Broker	CYPRUS	100%	Fully consolidated (1)	Fully consolidated	Local broker regulation based on Basel II
Saxo Bank A/S	Saxo Capital Market Pte. Ltd., Singapore	Licensed Broker and Capital Markets Services	SINGAPORE	100%	Fully consolidated (1)	Fully consolidated	Local broker regulation

Saxo Bank A/S	Saxo Capital Markets UK Ltd., UK	Licensed Broker	UNITED KINGDOM	100%	Fully consolidated (1)	Fully consolidated	CRR (EU requirements)
Saxo Bank A/S	Saxo Privatbank A/S, Denmark	Licensed Bank and Broker	DENMARK	99.6%	Balance sheet fully consolidated including Purchase Price Allocation (PPA)	External capital consolidated in capital calculation based on CRR consolidation model. Other items fully consolidated	CRR (EU requirements)
Saxo Bank A/S	Saxo Bank Dubai Ltd., Dubai	Category 4 financial services firm	UNITED ARAB EMIRATES	100%	Fully consolidated (1)	Fully consolidated	Local regulation
Saxo Bank A/S	Saxo Capital Markets Pty Ltd, Australia	Licensed Broker	AUSTRALIA	100%	Fully consolidated (1)	Fully consolidated	Local broker regulation
Saxo Bank A/S	Saxo Capital Markets Menkul Degerler Anonim Sirketi, Turkey	Licensed Broker	TURKEY	100%	Fully consolidated (1)	Fully consolidated	Local broker regulation
Saxo Bank A/S	Saxo Capital Markets SA Ltd., South Africa	Licensed Broker	SOUTH AFRICA	100%	Fully consolidated (1)	Fully consolidated	Local broker regulation
Saxo Bank A/S	Saxo Payments A/S	Licensed Payment Service Provider	DENMARK	50.10%	Fully consolidated (1)	Minority not consolidated in capital calculation as its not eligible acc. to CRR. Other items fully consolidated	EU Payment Service Directive implemented in Denmark
Saxo Bank A/S	Saxo Capital Market HK, Hong Kong	Holds 3 licenses: Type 1 - dealing in Securities, Type 2 - dealing in Futures, Type 3 - Leverage Foreign Exchange	HONG KONG	100%	Fully consolidated (1)	Fully consolidated	Local broker regulation
Saxo Bank A/S	Saxo Capital Markets Agente de Valores S.A., Uruguay	Licensed Broker	URUGUAY	100%	Fully consolidated (1)	Fully consolidated	Local broker regulation
Saxo Bank A/S	Saxo Capital Markets S.A., Panama	Representative office license	PANAMA	100%	Fully consolidated (1)	Fully consolidated	Local regulation
Saxo Bank A/S	Saxo Bank do Brasil Escritório de Rep. Ltda, Brazil	Representative office license	BRAZIL	100%	Fully consolidated (1)	Fully consolidated	N/A
Saxo Bank A/S	Saxo Capital Markets BV, Netherland	Non-financial	NETHERLANDS	100%	Fully consolidated (1)	Fully consolidated	N/A
Saxo Bank A/S	SBFS Limited, UK	Financial spread trading service license	UNITED KINGDOM	100%	Fully consolidated (1)	Fully consolidated	Local regulation
Saxo Bank A/S	Ejendomsselskabet Bygning 119 A/S, Denmark	Non-financial	DENMARK	100%	Fully consolidated (1)	Fully consolidated	N/A
Saxo Bank A/S	Initto A/S, Denmark	Non-financial	DENMARK	100%	Fully consolidated (1)	Fully consolidated	N/A
Saxo Bank A/S	Saxo Jet A/S, Denmark	Non-financial	DENMARK	100%	Fully consolidated (1)	Fully consolidated	N/A
Saxo Bank A/S	Saxo Treasury A/S, Denmark	Non-financial	DENMARK	100%	Fully consolidated (1)	Fully consolidated	N/A

1) The consolidated financial statements have been prepared in accordance with IFRS as a consolidation of the financial statements of Saxo Bank A/S and its subsidiaries, prepared in accordance with the Group's accounting policy. In the Group consolidation, intra-group income and expenses, shareholdings, intra-group balances, and realised and unrealised gains and losses on intra-group transactions have been eliminated.
The non-controlling interests' share of the net profit/loss for the year and of the equity of subsidiaries, which are not wholly owned, are included in the Group's net profit/loss and equity, respectively, but are disclosed separately.

More information regarding the consolidation methods for accounting purposes can be found in the Annual Report 2015, which is available at www.saxobank.com/investor-relations.

Additional Own Funds disclosure requirements, according to Commission Implementation Regulation No 1423/2013, are disclosed in Annex A.

3.5 Restrictions on transfer of own funds in the Group

The Bank's financial subsidiaries, in and outside Denmark, comply with EU regulation or local capital and liquidity requirements (shown in table 1). In addition, non-financial subsidiaries may have other legal restrictions. Transfer of own funds or repayment of liabilities among the parent undertaking and its subsidiaries should comply with all regulatory requirements. These requirements limit the transfer of own funds or repayment of liabilities among the parent undertaking and its subsidiaries.

4 Risk Management objectives and policies

4.1 Governance and Risk Management Framework

The Group's overall risk management framework and governance structure is established by the Board of Directors based on recommendations from the Board Risk Committee.

The Board of Directors have in the Board Instructions laid out a set of instructions to the Board of Management on management of the day-to-day business of the Group.

The Board Instructions are supplemented by theGroup Risk Management Governance & Policy and Risk Appetite Statements, which defines the Group's risk management framework and articulate the Group's risk appetite and includes specific limits for the Group's risk taking activities.

The Chief Risk Officer (CRO) has the overall responsibility for maintaining and developing the risk management framework, as well as for controlling and reporting the Group's risks.

4.2 Risk Definitions

The Bank and the Group are exposed to a number of risks, which can be categorised as follows:

Credit risk: The potential risk that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms.

Market risk: The risk of a loss in value as a result of changes in market rates and parameters that affect the market values, e.g. interest rates, credit spreads, FX rates, equity prices, commodity prices and option volatilities.

Operational risk: The risk of direct or indirect financial losses or damaged reputation due to failure attributable to technology, employees, procedures or external events. Operational risk includes legal and compliance risk, but excludes strategic and reputational risk.

Liquidity risk:

The risk that the Group´s cost of funds rise to disproportionate levels or in worst case prevents the Group from continuing as a going concern under its current business model. Also, the risk that the Group does not have sufficient liquidity to fulfil the its payment obligations as and when they fall due. Finally, the risk that the Group does not comply with regulatory liquidity requirements, e.g. liquidity coverage ratio.

Business and Other risk: The risk of a direct or an indirect loss, or damaged reputation as a result of changes in external circumstances, events or due to risks being only partially captured under the other risk categories.

The Board of Management and the Board of Directors are informed on the Group's risks, capital requirements and liquidity situation on a regular basis.

The Danish FSA receives reporting on the Bank's and the Group's capital requirements and liquidity situation on a regular basis and at least quarterly.

4.2.1 Lines of defence

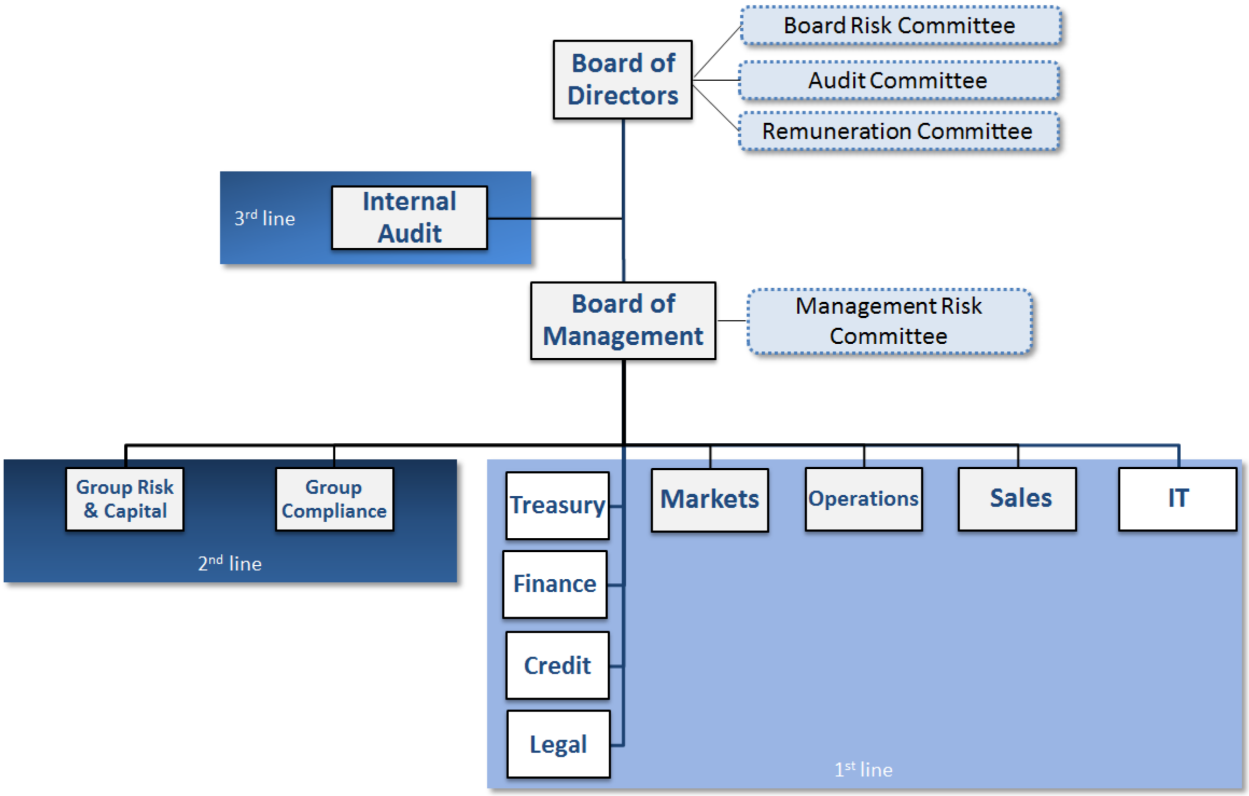
In order to ensure adequate oversight, the Group utilises the industry standard "Three lines of defence" approach to its risk management framework (illustrated in figure 1). The "Three lines of defence" approach serves to reduce uncertainty concerning roles and responsibility related to risk ownership and the management of the Group's risks.

First line of defence is the Business Units and Group Treasury (in capacity of being owner of the Group's investment risks and structural financial risks). They take risks and are responsible and accountable for the ongoing management of such risks and make the primary risk-return trade-off decisions within the risk framework and limits determined and approved by the relevant executive bodies and governed by the second line of defence.

Second line of defence shall provide oversight, guidance, review (and potentially approval when needed) along with advice, facilitating, and challenge the first line in their risk management activities and risk-return considerations. Group Risk & Capital Management, Group Compliance constitute the second line of defence risk functions in the Group.

Third line of defence is Internal Audit. Third line of defence shall independently evaluate the adequacy and effectiveness of the governance, risk management and control processes that are implemented by first and second line of defence.

Figure 1: Three lines of defence



4.3 Risk Committees

In order to strengthen the risk governance and to foster transparency, accountability and ownership of risk oversight and management, the Group has established the following committees:

Table 2: External Executive Bodies

Governing Body	Members	Responsibilities, which are further detailed in the respective Committee charters:	No. of meetings in 2015
Board Risk Committee	Henrik Normann (Chair) Asiff Hirji Lone Fønss Schrøder (appointed in March 2016)	- Advise the Board of Directors regarding current and future risk appetite and risk strategy. - Assist the Board of Directors in overseeing the Board of Management's implementation of the strategy. - Provide recommendations and oversee the Risk Management functions. - Review incentive schemes pertaining to risk, capital and liquidity. - Prepare the Group's Risk Management Framework and Risk Appetite Statements for the Board of Directors' review and approval.	5
Audit Committee	Thomas Plenborg (Chair) Lone Fønss Schrøder Jacob Polny	- Supervise the preparation of financial statements. - Supervise and assess the effectiveness of the Group's internal controls, risk management and internal audit. - Supervise the statutory audit of the annual financial statements. - Supervise the Group's external auditors	3
Remuneration Committe	Thomas Plenborg (Chair) Jacob Polny	- Establish and review the overall remuneration philosophy of the Bank and approve guidelines for incentive programs - Review the compensation level of the Bank’s employees - Review the list of Risk Takers - Review succession planning	2

Table 3: Internal Managerial Bodies

Governing Body	Members	Responsibilities, which are further detailed in the respective Committee charters:	No. of meetings in 2015
Management Risk Committee	CFO/GCRO (Chair) CEO COO CRO Head of Compliance	- Review the reporting on the Group's risks - Develop and update the Group's risk management framework including governance, risk policies, risk appetite statements etc. to be presented to the Board of Directors for approval. - Decide on instrument margin requirements.	10
Client Risk Management Committe	CRO (Chair) Head of Market Risk Management Head of Risk Intelligence	- Support stakeholder coordination, alignment and prioritising the Client Risk Management Framework and Governance development, and to ensure swift and flexible decision-making. - Monitor and assess the overall client credit risk exposure profile, related critical risk issues, potential emerging risks, and initiate actions if appropriate.	The Committee held its inaugural meeting in August 2015. The Committee meets weekly and held 15 meetings in 2015.
Information Security Risk Committee	CRO (Chair) Head of Operational Risk Management Principal Information Security-Manager Head of Group IT Head of Enterprise Architecture Head of IT(SRC)	- Establish targets for information and IT security governance and make principle decisions on methods for implementation, monitoring and enforcement. - Review and provide input on information security and IT security initiatives, including prioritising resources for maintenance and investments based on security analysis, business and risk requirements. - Coordinate information security activities across the Group's organisation. - Provide recommendations to the MRC concerning the Group's stance on principle information security issues (not addressed in internal/external requirements)	The Committee was established in November 2015 and the Committee is scheduled to meet quarterly.
Operational Risk Committee	CRO (Chair) Head Operational Risk Head Finance and Risk Operations, Head of Market Risk Management, Head of IT(SRC) Head of HR Head of Legal Head of Compliance A number of executives from operations	- Agree on the operational risk framework principles designed by Group Operational Risk Management for measuring, monitoring, assessing, and reporting on the operational risk profile. - Endorse operational risk framework policies prior to them being endorsed by the Board of Management, Board Risk Committee, and approved by the Board of Directors. - Endorse risk identification and assessments and agree on the Group's key risks identified through the risk control and assessment process - Monitor the operational risk profiles and material exposures to losses for the Group and subsidiaries and escalate as appropriate. The operational risk profile includes proactive and reactive measures performed by the business and support areas to mitigate operational risk. - Promote a sound risk culture and open discussion on operational risk matters throughout the Group.	The Committee held its inaugural meeting in November 2015 and is scheduled to meet monthly.

5 Capital requirements and capital management

The purpose of the Group’s capital management is to ensure that the Group has sufficient capital at all times to cover the risks associated with its activities. The framework for the Group’s capital management is rooted in the CRD IV Pillars I, II and III, and the primary capital management tool is the Group’s Internal Capital Adequacy Assessment Process (ICAAP).

Pillar I defines a set of uniform rules for calculating the minimum capital requirement, Pillar II defines the framework for the Group’s ICAAP and the supervisory review, and Pillar III defines disclosure requirements.

The Bank and the Group must at all times hold a level of capital that at least equals the ICAAP level as determined by the Board of Directors. The ICAAP level always corresponds to at least the minimum regulatory requirement of 8% of the Risk Exposure Amounts (REA) determined in Pillar I.

The calculation of the ICAAP is based on an internal process in which the Board of Management, supported by Group Risk & Capital Management, assesses the Group’s risks. A full ICAAP is performed when required, but at least once a year. Capital adequacy levels are assessed and approved by the Board of Directors on a quarterly basis. The Capital adequacy levels are reported to the Danish FSA on a quarterly basis.

5.1 ICAAP

Group Risk & Capital Management (GRCM) is responsible for the preparation of the ICAAP Report, by collecting, simulating and aggregating relevant data and information from stakeholders and experts across all business units in the Group. The ICAAP follows the following six steps:

Step 1. Minimum capital requirement (Pillar I)

Step 2. Self-assessed capital requirement using a quantitative approach (part of Pillar II)

Step 3. Capital requirement based on the largest amount determined in step 1 and 2 (part of Pillar II)

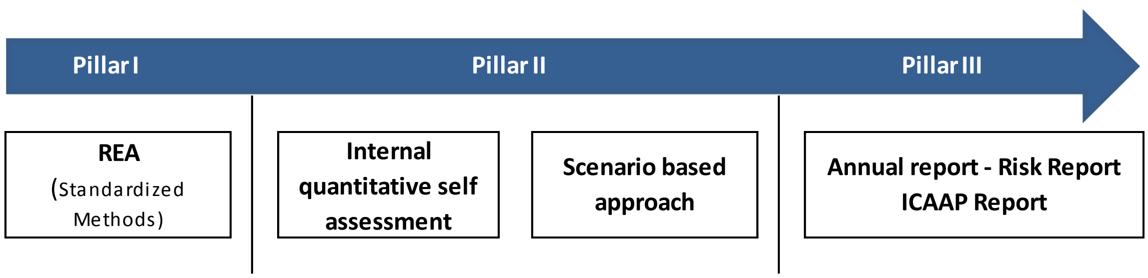
Step 4. Self-assessed capital requirement using a scenario based approach (part of Pillar II)

Step 5. Capital adequacy determination, based on the four previous steps (Pillar II)

Step 6. Disclosure (Pillar III)

The ICAAP can be illustrated as below.

Figure 2: Assessments and disclosure elements in the ICAAP



5.2 Business activities covered by the ICAAP

The primary business activity of the Group is facilitating online trading in financial instruments. In addition the Group has retail banking activities. The activitites are covered by the ICAAP and further described below.

- Online trading, investment and other investment services within capital markets to private, corporate institutional clients including white label clients. These activities are driven through Saxo Bank A/S and a number of subsidiaries in 16 countries.
- Retail banking services in Denmark are offered to retail and small and medium sized corporates through the subsidiary Saxo Privatbank A/S. Saxo Privatbank A/S activities also include professional portfolio management to the same client segments.

The above mentioned activities involve different types of risk and concern different risk areas in the ICAAP.

Table 4: Overview of activities and risk relation

Activities/Risk categories	Credit Risk	Market Risk	Operational Risk	Business Risk	Liquidity Risk	Leverage Risk
Trading activities	√	√	√	√	√	√
Retail Banking activities	√	√	√	√	√	√

5.3 REA determination and capital requirement according to CRR

In order to determine the minimum capital requirement, the Risk Exposure Amounts (REA) are calculated in accordance with the standard methods defined in the CRR regulation under Pillar I. In section 7-9 the methodologies the Group has applied to calculate REA concerning Market Risk, Credit Risk and Operational Risk are disclosed.

5.4 Self-assessed capital adequacy requirement

In the second part of determining the capital adequacy requirement, the Group conducts a self-assessment of the adequate level of capital needed, based on an internal, quantitative approach and ,if relevant, subjective management judgements. The purpose of this part is to identify and incorporate risks not fully covered by the Pillar I REA calculations.

5.4.1 Internal, quantitative approach

The first part of the self assessment is an internal approach, where each risk category is assessed subjectively by the Group in accordance with internal guiding principles, and where the capital adequacy requirement for each of the risk categories is determined.

The internal quantitative approach identifies the relevant risk-areas and exposures in the Group and categorises these into the ICAAP risk categories as shown in table 5. Different methods are applied to assess the Group's capital need within each of the risk categories, which are described in the subsequent sections of this report.

Table 5: Decomposition of Risk Types into Risk Categories

Risk Types/Risk categories	Credit Risk	Market Risk	Operational Risk	Business Risk	Liquidity Risk	Leverage Risk
General	√	√	√	√	√	√
Earnings				√		
Growth				√		
Credit risk	√					
Market risk		√				
Concentration risk	√	√		√		
Group risks	√	√	√	√	√	√
Liquidity risk					√	
Leverage risk						√
Operational risk			√			
Control risk			√			
Business size				√		
Settlement risk	√		√			
Strategic risk				√		
Reputational risk			√	√		
Non-trading interest rate risk		√				
External risk	√		√	√	√	√
Other conditions	√			√		
Stress testing	√	√	√	√	√	

Table 6 provides an overview of the different methods across risk types. Four models are applied.

Table 6: Overview of ICAAP Methods

Standard external model used as internal model	Internally developed model	Standard approach	Ad hoc Approach
● Market	● Credit	● Liquidity	● Strategic Risk
	● Operational	● Leverage	● Buffers on different risk types
		● Business	

In the ICAAP the Group utilises buffers and management judgement add-ons to the risk assessed using both standard and external developed models, which is illustrated above. The buffers and management judgement add-ons may be used when model shortcomings or defects are identified but not yet resolved. The buffers and add-ons are placed in the relevant category, and if the identified risk is not applicable to a specific risk category, it is placed in the “Other” risk category.

5.4.2 Scenario based stress testing approach

The ICAAP stress testing ensures that the assessed adequate capital level for the Group is sufficient to withstand unlikely, but not impossible, stress scenarios.

A number of stress scenarios have been outlined in the various single risk areas. Furthermore, a stress scenario have been implemented, to create a very severe and highly unlikely stress-scenario. Where applicable, mitigating measures, like contingency plans and insurance coverage, are applied.

The Group also conducts an income sensitivity analysis to ensure that business risks are covered adequately in the budgeted income.

As of 31 December 2015 the scenario based approach did not result in an additional capital requirement.

5.5 Capital requirement using the 8+ approach

In order to determine the capital requirement under the 8+ approach, the Group compares the Pillar I calculated capital requirement with the Pillar II internally assessed capital requirement.
The methodology resulting in the largest capital requirement is applied for the following risk types:

- Credit Risk
- Market Risk
- Operational Risk
- Business Risk
- Liquidity Risk
- Other Risk

The result is compared with the outcome of the scenario based approach, and the largest number is the capital requirement of the Bank and the Group, as defined by the 8+ approach.

Calculated buffers related to Business Risk and Other Risks are added to the results from the 8+ approach.

5.6 Current ICAAP requirement and trigger capital

The Bank and the Group must at all times have a Total Capital that as a minimum corresponds to the ICAAP level determined by the most recent ICAAP process approved by the Board of Directors. As a minimum, the ICAAP level must never be less than the regulatory minimum capital requirement equal to 8% of the Risk Exposure Amounts (REA), cf. section 6.1.

As of 31 December 2015, the Group's ICAAP showed a capital requirement of 14.0 % of REA, equivalent to DKK 1.811 billion. The Common Equity Tier 1 excess capital (including effects of trigger capital) was DKK 786 million corresponding to 6.1% of REA.

As of 31 December 2015, the Bank's ICAAP showed a capital requirement of 14.0% of REA, equivalent to DKK 1.41 billion. The Common Equity Tier 1 excess capital (including effects of trigger capital) was DKK 1.176 million corresponding to 11.7% of REA.

Guidelines issued by the Danish FSA allow the Bank to use excess trigger capital (AT1 issue and Tier 2 issuances that include a trigger clause) to cover the Pillar II add-on requirement. This allows the Bank to free up some of the CET1 capital, which consequently increases the excess CET1-capital.

The ICAAP 2015 Report provides additional information regarding the Bank's and the Group's ICAAP level and the current trigger capital. The ICAAP 2015 Report is available at www.saxobank.com/investor-relations.

Specifications of the capital instruments are disclosed in Appendix A.

5.7 Additional capital buffer requirements

According to CRD IV the Bank will be required to hold a capital conservation buffer to absorb losses and conserve capital, and a countercyclical capital buffer to ensure that in times of high economic growth, the Bank accumulates sufficient capital to enable it to continue being a stable source of credit in a subsequent downturn. In Denmark the capital conservation buffer will be phased in from 2016 and the countercyclical capital buffer from 2015. In addition, member states may require additional buffers. If the Bank does not meet the buffer-criterias, restrictions will be placed on the Bank's ability to pay out dividends until the buffers are rebuilt.

Starting from Q2 2015 the Bank and the Group disclosed its countercyclical capital buffers as Norway and Sweden have activated country specific countercyclical-buffer-rates. In the case that Denmark follows the lead of Norway and Sweden, setting a buffer-rate of 1 %, the buffer requirement will increase by DKK 104 million based on numbers as of 31 December 2015.

As of 31 December 2015 the countercyclical buffer requirement for the Group is immaterial to the Group. The level of the countercyclical buffer is disclosed in appendix E

The capital conservation buffer will be phased in from 2016 starting at 0.625% of the Risk Exposure Amount and reaching 2.5 % of the Risk Exposure Amount in 2019. The Group meets the fully phased in requirement of 2.5 % (applicable from 2019) with the Group's current capital-level.

6 Regulatory requirements – Own Funds

6.1 Regulatory, minimum capital requirements

The regulatory minimum capital requirement for Common Equity Tier 1, Tier 1 Capital and Total Capital are 4.5%, 6.0% and 8.0% respectively of the Risk Exposure Amounts.

The Group is required to fulfil and report the minimum capital requirements on both the Bank level and the Group level.

The Bank and the Group met their regulatory capital requirements throughout 2015.

The Bank and the Group reports Total Capital (Own Funds), REA and the ICAAP level to the Danish FSA in accordance with applicable Implementing Technical Standards (ITS), Regulatory Technical Standards (RTS) as well as additional reporting requirements issued by the Danish FSA.

6.2 The Group's regulatory capital

The Total Capital of the Bank and the Group are calculated in accordance with CRR and take into account the Danish transition rules.

An overview of Saxo Bank Group's and Saxo Bank A/S's Total Capital can be found in table 7 on the next page.

Values recognised in the Total Capital are based on accounting values in accordance with the Danish Executive Order on financial reporting for credit institutions and investment companies. A reconciliation with the balance sheet can be found in Annex A.

Table 7: Total Capital of Saxo Bank Group and Saxo Bank A/S

DKK 1,000		Saxo Bank Group Q4 2015	Saxo Bank A/S Q4 2015
Shareholders' equity start of year ex. minority		**3,860,320**	**3,860,888**
	Net income ex. Minority	-623,263	-623,264
	Interest (dividend) related to Additional Tier 1	-32,656	-32,656
	Cost of issuance of Additional Tier 1 Capital	-201	-201
	Share based payments	12,944	12,944
	Accumulated other comprehensive income	87,781	87,782
	Change in CET1 Capital	237,181	237,181
	CET1 Capital from subsidiaries	1,147	0
	Cash Flow Hedge Reserves	52,320	0
	Goodwill including associates	-951,475	-941,523
	Intangible assets	-726,837	-761,701
	Deferred tax liabilities ass.to other intangible assets	136,565	148,420
	Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-123,265	-77,044
	Defined benefit pension fund assets	0	0
	Prudent Valuation Adjustments	-6,673	-2,949
Common Equity Tier 1 Capital		**1,923,888**	**1,907,877**
	Additional Tier 1	334,802	334,802
	T1 capital from subsidiaries	65	-
Tier 1 Capital		**2,258,755**	**2,242,679**
	Subordinated debt, new regulation	**338,224**	**338,223**
	Subordinated debt, old regulation, revalued	92,385	92,385
	T2 capital from subsidiaries	108	-
Total Capital		**2,689,473**	**2,673,288**
Risk Exposure Amounts		**12,975,478**	**10,022,484**
hereof	Credit Risk	4,355,232	3,795,527
	Market Risk	2,916,862	2,502,857
	Operational Risk	5,703,384	3,724,099
Capital ratios			
	Common Equity Tier 1 ratio	14.8%	19.0%
	Tier 1 ratio	17.4%	22.4%
	Total Capital ratio	20.7%	26.7%

Additional own funds disclosures requirements, according to Commission Implementation Regulation No 1423/2013 laying down implementing technical standards with regard to disclosure of own funds requirements for institutions according to CRR are disclosed in Annex A.

6.2.1 Common Equity Tier 1

The Common Equity Tier 1 capital (CET1) has been affected by negative earnings incurred by the significant move in the Swiss franc in January 2015 and a positively impacted due to an issuance of new share capital of DKK 228 million. Furthermore, the consolidated Group CET1 capital has in 2015 been reduced by the planned redemption of guarantor capital in the subsidiary Saxo Privatbank.

In accordance with CRR and the Danish Executive Order concerning trasitional rules in accordance with CRR, the Own Funds and the ICAAP and the calculation of shareholder's equity are subject to certain deductions:

- Intangible assets, including goodwill
- Deferred tax assets
- Defined benefit pension fund assets
- Prudent valuation adjustment (AVA adjustment)

On Prudent valuation adjustments the Group has implemented a preliminary core approach model according to the draft RTS issued by EBA. As the largest part of the fair value assets in the Trading Book are highly liquid, these only account for a very small part of the deduction, but illiquid assets such as unlisted equities account for the largest part.

6.2.2 Tier 2

During 2015 the Group issued new subordinated debt in EUR corresponding to DKK 337 million in book value.

As of 31 December 2015 subordinated debt of DKK 92 million issued under old regulation is included in the Total Tier 2 Capital according to transition rules.

Further details regarding the reconciliation of Total Capital to the Balance Sheet, transitional effects and details on the Group's capital elements can be found in Annex A.

7 Market Risk

Market Risk is defined as the risk of a loss in value as a result of changes in market rates and parameters that affect the market values, e.g. interest rates, credit spreads, FX rates, equity prices, commodity prices and option volatilities.

The Group's market risks can be grouped into the following three main categories:

1. Trading market risk exposures relating to the Market Making of Saxo Markets supporting the Group's online trading and investment services.
2. Investments/liquidity buffer related market risk exposures in Group Treasury.
3. Structural market risk exposures in the Group's balance sheet.

The Board of Directors has defined the overall Group Market Risk Policy, articulated the Group's market risk appetite and set limits for the different types of market risk. Based on this, market risk limits are delegated to the organisation, ie. Saxo Markets and Group Treasury. Market risk exposures are monitored by the Group Risk & Capital Managementdepartment, and the limit utilisation is reported to all governing levels of the Group, including the Board of Directors on a regular basis.

The overall Board policies and limits are supplemented by sub policies, business procedures, work instructions and more detailed risk limits.

The Group Market Risk Policy, the Market Risk Appetite Statements and the limits are reviewed as often as needed and as a minimum once a year.

7.1 Market Risk Exposure Amount according to CRR

In order to calculate the minimum capital requirements, Pillar I, the Bank and the Group apply the following methodology in accordance with CRR to calculate the Risk Exposure Amounts for market risk.

Market Risk: Standard Methods[1],

- Equity Price Risk: The Standardised Approach [2]
- Currency Risk: The Standardised Approach[3]
- Interest Rate Risk: The Standardised Approach[4],
- Option Risk, non-delta (gamma, vega): The Scenario Approach[5]
- Commodity Risk: The Maturity Ladder Method[6]

The Risk Exposure Amounts related to market risk consist of:

- Interest rate risk regarding positions in the Trading Book
- Equity price risk regarding positions in the Trading Book
- Commodity risk regarding all commodity positions excluding gold positions
- Foreign-exchange risk regarding all foreign-exchange positions including gold positions

The Group's interest rate risk and equitiy price risk in the Banking Book is disclosed in section 6.1.1.

7.1.1 Exposures in equities and interest rate risk in the Banking Book

Equities outside the Trading Book are valued at fair value, with a value adjustment in the Total Capital. These equity exposures are primarily related to stocks in the Danish banking-infrastructure, e.g. stocks in the VP Securities, which is a central securities registration agent in Denmark. Investment securities are measured according to the equity method.

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1 Title IV in CRR
2 Title IV, section 3 in CRR (§ 341-344)
3 Title IV, chapter 3 in CRR (§ 351-356)
4 Title IV, section 2 in CRR, hereof duration-based calculation of general risk according to article 340 in CRR (§ 334-339, §340)
5 COMMISSION DELEGATED REGULATION (EU) No 528/2014 of 12 March 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for non-delta risk of options in the standardised market risk approach and the following issued corrigendum. (§ 329)
6 article 361 in CRR (§ 357-361)

It is not a part of the Group's strategy to increase investment in this type of assets. The balance sheet value is risk weighted with 100%-150% in the Risk Exposure Amounts for credit risk.

Table 8: Exposures to equities included in the Banking Book (31/12/2015).

DKK millions	Balance sheet value	Fair value	Realised gains/losses	Unrealised gains/losses
Unlisted equities:				
Investment securities	39,287	39,287	421	805
Total	**39,287**	**39,287**	**421**	**805**

On the Bank level the interest rate risk in the Banking Book stems from subordinated debt denominated in EUR.

On the Group level the interest rate risk in the Banking Book comes from the subsidiary Saxo Privatbank and an interest rate swap used to fix the interest on the loan financing the headquarter's domicile.

The total interest rate position in the Banking Book is a net short position in both the Bank and the Group.

Table 9: Exposures in interest rate risk included in the Banking Book (31/12/2015).

DKK 1,000		Saxo Bank A/S	Saxo Bank Group
Exposures in the Banking Book		**674,069**	**1,567,452**
	EUR	674,069	675,289
	DKK	-	892,163
Interest rate risk		**11,730**	**37,183**
	EUR	11,730	11,730
	DKK	-	25,453

7.1.2 Risk Exposure Amounts for Market Risk in the Trading Book end of 2015

Exposures to various types of market risk for the Bank and the Group end of 2015 are disclosed below as well as the minimum capital requirements corresponding to 8% of the Risk Exposure Amounts.

According to regulatory requirements the Market Risk Exposure Amounts for each risk category shall be aggregated to a total exposure amount. Hence any diversification effects between the risk categories are disregarded.

The Total Risk Exposure Amount as of 31 December 2015 was lower compared with the same amount as of 31 December 2014, primarily due to implementation of a strategic decision to move away from active FX market making and have an automated, back to back, FX trade execution.

Table 10 presents the Risk Exposure Amounts and the minimum capital requirement corresponding to 8% of the Risk Exposure Amounts for market risk as per end of 2015.

Table 10: Risk Exposure Amounts (31/12/2015).

DKK 1,000	Saxo Bank A/S		Saxo Bank Group	
Risk Category	Risk Exposure Amount	Minimum Capital requirement	Risk Exposure Amount	Minimum Capital requirement
Foreign Exchange Risk	880,748	70,460	1,005,310	80,425
hereof non-delta risk	*665,856*	*53,268*	*665,856*	*53,268*
Interest Rate Risk	1,275,488	102,039	1,550,485	124,039
Equity Risk	31,754	2,540	46,204	3,696
Commodity Risk	314,863	25,189	314,863	25,189
hereof non-delta risk	*31,033*	*2,483*	*31,033*	*2,483*

7.2 Internal assessment of Market Risk

A part of the internal capital adequacy assessment process quantifies the capital requirements based on both actual exposures and fully utilised market risk limits.

The market risk in the Group from open market positions in FX, interest rates, equities and commodities are measured as the expected one-day-loss for the portfolio using a Value-at-Risk model (VaR, 95%). The Group's VaR model applies a lookback period of one year with a higher weight on recent observations (Exponential Weighting). Reductions in the overall risk due to diversification are included in the model.

To ensure a conservative reflection of the Bank's and the Group's market risk the average exposure measured over the last week and month are compared, with the largest number of these averages is applied in the internal self assessment of the capital contribution from market risk.

8 Credit Risk

Credit risk is defined as the potential risk of a borrower or counterparty fails to meet its obligations in accordance with agreed terms.

The Board of Directors has defined the Group Credit Risk Policy, and articulated the Group's credit risk appetite and approved specific limits for the Group's largest clients and counterparties as well as industry sector limits. The Policy, Risk Appetite Statements and the limits are reviewed as often as needed and as a minimum once a year.

Counterparty Credit Risk

Counterparty credit risk is the risk that the counterparty to a transaction could default before the final settlement of the transaction. An economic loss would occur if the transactions or portfolio of transactions with counterparty has a positive economic value at the time of default and the counterparty's posted collateral is insufficient to cover the loss. These risks usually occur in the event of a price gap. Price gap means that there is no market liquidity, e.g. because the market is closed, to support trading at a price level close to the most recently traded level.

Client's margin-trading positions are monitored on a real-time basis and client exposures are automaticly liquidated when a client's margin utilisation exceeds a certain level.

Settlement risk

Settlement risk is the risk of a counterparty failing to deliver money or securities according to contractual terms at the time of settlement. Settlement risk includes a principal risk if money or securities are transferred before the corresponding asset has been received with finality.

To reduce settlement risk in foreign exchange transactions, the Group has entered into settlement agreements with the Group's prime brokers. In securities trading, the settlement risk is mitigated by delivery versus payment settlement and contractual settlement agreements.

Credit risk versus brokers and in the Group's Trading Book

The Group also faces credit risks in its brokerage operation from liquidity providers, financial brokers and counterparties to derivative trades.

The Group hedges to a large extent its market risks through the Group's brokers. The Group posts cash or securities as collateral for the market value of these hedges. The cash-deposits give rise to a potential credit risk towards the Group's brokers. The Group regularly and at least annually conducts credit assessments of the brokers in order to mitigate these credit risks.

The Group purchases bonds into its Trading Book as part of its liquidity management, which gives rise to credit risk. However, the Board Risk Appetite Statement sets requirements for the credit quality of theses and accordingly only a smaller part of the Group's own Trading Book can be placed in bonds that are rated less than AAA and all bonds have to be at least investment grade.

Traditional retail banking services

Traditional banking services cover loans, overdraft facilities, business credits, construction and housing credits, guarantees etc. These services are provided through the subsidiary Saxo Privatbank A/S. The granting of a credit is based on the Bank's insight into the client's financial position through credit assessments ensuring, that each facility matches the credit-worthiness and financial position of the client.

8.1 Risk Exposure Amount according to CRR

The Group applies the following methodology to calculate the Risk Exposure Amounts for credit risk:

- **Credit Risk: The Standard Method**
  - Counterparty Risk: Marked to market Method
  - Credit Risk Mitigation: Financial Collateral Comparative Method
  - CVA-Risk: Standardised Method

All exposures related to credit risk are included in the calculations with the exception of:

- Exposures which are deducted in the Group's Total Capital
- Exposures included in the Group's Trading Book, cf. section 7.

Potential future changes in the calculcations, due to forthcoming regulation, are disclosed in section 13.

8.1.1 ECAI (External Credit Assessment Institutions)

For the purposes of the assigning risk weights to institutions the Group does not currently apply credit assessments of an External Credit Assessment Institutions (ECAI).

8.1.2 Credit Risk Mitigation

The Group's clients posts collateral in the form of cash, listed equities and/or listed bonds for their margin positions.

The Group uses the Financial Collateral Comprehensive Method, art. 198 in CRR, to calculate the effects of credit risk mitigation where the collateral received is used to reduce the credit exposure amount fully or partly.The Financial Collateral Comprehensive Method also means, that the collateral value is adjusted for both currency risks and volality risks with haircuts set out in CRR prior to reducing the exposure amount.

The effects of credit risk mitigation concerning derivatives is shown in table 13. For the Bank the credit risk mitigation effects, concerning other items than derivatives, amounted to 0. For the Group the credit risk mitigation effects, concerning other items than derivatives, amound to DKK 144m.

8.1.3 Breakdown of Exposure Classes and minimum capital requirements

Table 11 presents the Risk Exposure Amounts and the minimum capital requirement corresponding to 8% of the Risk Exposure Amounts for credit risk as per end of 2015.

Table 11: Breakdown of Credit Risk on exposure classes for Saxo Bank A/S (31/12/2015).

DKK 1,000 REA	Saxo A/S 31/12/20145							
	Corporates	Institutions	Retail	Equity	Secured by mortgages	Exposures in default	Others	Total
On balance	151,037	121,908	0	1,960,811	0	0	57,238	2,290,994
Off balance	543,579	0	0	0	0	0	0	543,579
Derivatives	783,052	83,053	17,345	0	0	0	0	883,450
Total	**1,477,668**	**204,961**	**17,345**	**1,960,811**	**0**	**0**	**57,238**	**3,718,023**
8 % hereof	**118,213**	**16,397**	**1,388**	**156,865**	**0**	**0**	**4,592**	**297,422**

Table 12: Breakdown of Credit Risk on exposure classes for Saxo Bank Group (31/12/2015).

DKK 1,000 REA	Saxo Group 31/12/2015							
	Corporates	Institutions	Retail	Equity	Secured by mortgages	Exposures in default	Others	Total
On balance	710,412	347,174	730,916	210,898	45,402	46,592	818,513	2,909,907
Off balance	487,334	0	223,897	0	61,513	47,855	0	820,599
Derivatives	438,114	83,053	26,054	0	0	0	0	547,221
Total	**1,635,860**	**430,227**	**980,867**	**210,898**	**106,914**	**94,447**	**818,513**	**4,277,727**
8 % hereof	**130,869**	**34,418**	**78,469**	**16,872**	**8,553**	**7,556**	**65,481**	**342,218**

Off balance items shown in table 12 pertains mostly to guarantees issued on behalf of the Group's subsidiaries broken down on exposure classes.

8.1.4 Geographical breakdown of Credit Exposures on REA

The shown exposure is excluding CVA-risk.

Table 13: Breakdown of Credit Risk on geographical locations for Saxo Bank A/S (31/12/2015).

		Saxo A/S 31/12/2015				
DKK 1,000	Institution	Corporates	Retail	Equity	Other	Total
Denmark	6,825	696,932	921	1,960,811	57,238	2,722,726
United Kingdom	96,225	357,366	583	0	0	454,173
Germany	52,008	2,225	723	0	0	54,956
Switzerland	5,667	707	40	0	0	6,414
North America	25,802	16,435	17	0	0	42,254
APAC	5	310,779	1,420	0	0	312,204
The Rest of the World	18,430	93,224	13,640	0	0	125,295
Total	**204,961**	**1,477,668**	**17,345**	**1,960,811**	**57,238**	**3,718,022**

Table 14: Breakdown of Credit Risk on geographical locations for Saxo Bank Group (31/12/2015).

				Saxo Group 31/12/2015				
DKK 1,000	Institution	Corporates	Retail	Secured by mortgages on immovable property	Exposure in default	Equity	Other	Total
Denmark	51,968	971,176	929,025	105,136	93,874	210,496	802,879	3,164,555
United Kingdom	119,455	387,535	8,418	0	0	0	3,078	518,485
Germany	68,326	2,225	2,044	72	503	0	0	73,170
Switzerland	44,573	89,450	3,731	0	4	0	3,214	140,972
North America	56,976	0	7,038	894	3	0	0	64,910
APAC	31,182	46,793	6,971	694	4	0	5,153	90,798
Rest of World	57,746	138,681	23,641	118	58	402	4,189	224,836
Total	**430,227**	**1,635,860**	**980,867**	**106,914**	**94,447**	**210,898**	**818,513**	**4,227,726**

8.1.5 REA Counterpary credit risk and Credit Valuation Adjustment-Risk (CVA-Risk)

The Group uses the Mark-to-Market method, in accordance with art. 274 in CRR, to calculate the exposure amount for counterparty credit risk. In addition, the Group recognises the effect of netting agreements in accordance with art. 298 in CRR.

Table 15: Breakdown of Counterparty Credit Risk on effects of Netting, Credit Mitigation and Risk Weighting (31/12/2015).

DKK 1,000	Saxo Bank A/S				Saxo Bank Group			
Exposure class	Risk Exposures before Netting	Risk Exposures after netting, before CRM	Risk Exposures after netting and CRM	Risk Exposure Amounts	Risk Exposures before Netting	Risk Exposures after netting, before CRM	Risk Exposures after netting and after CRM	Risk Exposure Amounts
Corporates	5,058,252	3,370,214	1,065,417	1,065,417	4,451,321	3,087,427	758,781	758,781
Institutions	3,035,745	1,138,068	415,265	83,053	2,509,051	849,470	415,265	83,053
Retail	1,478,636	1,302,948	23,127	17,345	2,770,520	2,353,055	34,739	26,054
Total	**9,572,633**	**5,811,230**	**1,503,808**	**1,165,815**	**9,730,892**	**6,289,952**	**1,208,784**	**867,888**

The total effect of netting of and credit risk mitigation used on the counterparty credit risk exposure corresponds to DKK 673m for the Bank and DKK 682m for the Group in reduced minimum capital requirements.

CVA-Risk amounted to DKK 78m in Risk Exposure Amounts and DKK 6m in minimum capital requirement on both the Bank- and the Group-level end of 2015.

9 Operational Risk

Operational risk is defined as the risk of direct or indirect financial losses or damaged reputation due to failure attributable to technology, employees, procedures or external events. The definition includes legal and compliance risk.

Operational risk is inherent in all activities within the organisation, in outsourced activities and in all interactions with external parties.

The Board of Directors has defined the Group Operational Risk Policy, covering also Information Security Risk, and articulated the Group's operational risk appetite. The Policy and Risk Appetite Statements are reviewed as often as needed and as a minimum once a year.

The overall objective of the operational risk management framework is to define standards, tools and processes to support the organisation in proactively identifying, assessing, monitoring and managing/mitigating operational risks to the largest extent possible at reasonable costs. The Group has a low risk appetite for operational risks that can be mitigated by sound procedures, controls or otherwise insured. Moreover, the Group has no appetite for launching new products, processes, systems, or activities that have not been appropriately risk assessed.

The Group emphasises training personnel on risk awareness and sound risk culture. The training ensures that all employees have relevant and sufficient knowledge of operational risks related to their tasks. Mapping of the Group's operational risk exposure. The mapping of the Group's operational risk landscape is based on historical data and internal risk self-assessments. The following techniques for collecting operational risk events are used and documented, and they form the basis for a consistent examination of the Group's exposures related to operational risk:

- Direct and potential losses ("near-misses") in excess of DKK 15t arising from operational risk events are systematically collected, categorised in the Group's error register. Risk assessments and root cause analysis must be performed to effectively address and provide future mitigants to material operational risk events.
- The Group's operational risk profile is monitored through regular self-assessments processes which are performed at least annually. The purpose of the activity is to assess the quality of internal controls, ensure that all material operational risks inherent in the Group's products, activities, processes and systems are captured and reassessed in a systematic and timely manner to identify areas for improvements.

9.1.1 Capital Requirement concerning Operational Risk (Pillar I and II)

The Group uses the Basic Indicator Approach, cf. CRR art. 315, to calculate the Risk Exposure Amounts for operational risks (Pillar I). Under the Basic Indicator Approach, the Risk Exposure Amounts for operational risk is calculated as 1.875% of the average over three years of the sum of following accounting related items:

- Net interest, fees and commissions
- Price and exchange rate adjustments
- Other income

The three-year average is calculated on the basis of the figures from the last three annual reports. The calculation of the basic indicator throughout 2015 consists of accounts from the financial statement 2012-2014.

The Bank expects the forthcoming capital regulation to include changes in the above model used by the Bank. More information is disclosed in section 13.

Table 16: REA concerning Operatioal Risk for Saxo Bank A/S and Saxo Bank Group (31/12/2015)

DKK 1,000	Saxo Bank A/S Q4 2015	Saxo Bank Group Q4 2015
Risk Exposure Amount	3,724,099	5,703,384
Capital Requirements	297,928	456,271

Furthermore, the Group applies a self-assessment which includes a systematic evaluation of risk events in terms of likelihood and impact based on expected loss frequency and expected loss on average. Each risk event is evaluated in light of implemented mitigating measures/controls. Control failures, where applicable, are captured and evaluated. In addition, the Group determines the extreme loss (the highest loss that the actual event could have resulted in) for each event, given worst-case operating conditions.

To determine the Group's Pillar II capital requirements due to operational risk, the content of the risk register with insurance effect is used as input to the calculations. The calculation is based on Monte Carlo simulation which is used to generate random loss scenarios based on assessed probabilities and impact. The result is a loss distribution, which forms the basis for the determination of expected loss, Value-at-Risk and expected shortfall with a one year time horison. Assumptions are made on confidence levels as well as on the correlation between the various events. Risk events are assessed and evaluated in cooperation with internal parties through workshops.

9.1.2 Management and mitigation of operational risks

The Group uses mainly three methods to manage and mitigate risks:

Controls: Appropriate internal controls are designed and implemented to ensure that the Group's activities are efficient.

Insurance coverage: Insurance coverage is used for protection against unexpected and substantial unforeseeable losses to ensure that key risks related to conducting the business and the Group's key tangible assets and employees are covered and safeguarded effectively and sufficiently.

Contingency plan: The Group's contingency plan establishes the processes and procedures necessary to ensure that all business critical processes, services, and personnel remain operational at an acceptable level in the event of a severe disruptive event.

9.1.3 Reporting

Operational risk events with a loss exceeding DKK 300t are reported to the Management's Risk Committee and losses in excess of DKK 10m are reported to the Board of Directors. Further, the Board of Directors and the Management's Risk Committee receive a reporting on the non-financial risk profile on an ongoing basis.

10 Leverage

CRD IV and CRR require the Bank and the Group to report and monitor the leverage ratio. The leverage ratio is a simple non-risk adjusted capital measure, defined as Tier 1 capital as a percentage of the total non-riskweighted exposures from the balance sheet. The ratio is intended to prevent credit institutions from building up excessive leverage.

The Group expects the European Commission to issue a report by the end of 2016 which will include a legislative proposal to introduce the leverage ratio as a binding measure as of 2018. The minimum level is currently expected to be 3 % as introduced by the Basel Committee.

As of 31 December 2015 the leverage ratio based on using the fully phased-in definition of Tier 1 is 8.7 % for the Bank and 7.0 % for the Group.

The Group expects the current minimum capital requirement to be more restrictive than the forthcoming leverage ratio minimum requirements. The Group's monitoring of the leverage is done as part of the ICAAP.

More details on the Group's leverage ratio can be found in Appendix C.

11 Liquidity and Asset Encumbrance

Liquidity Risk is defined as the risk of not having sufficient liquidity to fulfil payments and obligations when these fall due, the risk of the funding cost rising to disproportionate levels or the risk of breaching regulatory liquidity requirements.

The Board of Directors has defined the Group's Liquidity Risk Policy and articulated the Group's liquidity risk appetite as well as set a number of specific liquidity risk limits. The Policy, the Risk Appetite statements and the limits are reviewed as often as needed and as a minimum once a year.

The Group has low appetite for liquidity risk, and the overall objective is to ensure that the Group at all times has a strong liquidity position with a prudent margin to the regulatory minimum requirements.

Liquidity risk limits are delegated to Group Treasury, which is responsible for managing the Group's liquidity globally.

The Management's Risk Committee oversees the Group's liquidity risk on the basis of reporting and analysis performed by Group Risk and Capital Management.

11.1 Liquidity Management

Managing liquidity in the Group's daily liquidity means receiving liquidity on OTC-products from multiple liquidity providers and liquidity for listed products through various exchanges. Market values (variation margin) are exchanged on a daily basis with prime brokers and initial margin, covering opening positions, is posted to prime brokers. Initial Margin-requirements are pledged with bonds at a third party custodian. The Group can opt to use repo-financing to manage the Group's shortterm liquidity, as the majority of the bonds in the liquidity portfolio are eligible for repo-transactions with Central Banks. According to the Risk Appetite Statement liquidity must mainly be invested in securities that are defined as High Quality Liquid Assets in the LCR regulation and that qualify as Eligible Credit Support under ISDA-agreements.

11.2 Stress testing

The Group has implemented stress testing of the Group's liquidity based on the LCR-requirements, as well as the Section 152 requirement of the Danish Financial Business Act. The defined stress scenarios capture both liquidity impact from external market related events, as well as events related specifically to the Group. Furthermore, stress scenarios using a combination of both market related and bank-specific incidents are also performed. The liquidity buffer is stress tested on different time horisons, meaning both short term, medium term and long term effects are measured in the applied stress scenarios. The stress tests are performed at least on a monthly basis.

11.3 Liquidity Contingency Plan

The Group has a Liquidity Contingency Plan in place which describes measures available to improve the liquidity under stressed conditions and ways to restore to normal state of business in the event of a crisis. The Liquidity Contingency Plan identifies events that may trigger a liquidity crisis and outlines scenarios in which the plan may be activated.

11.4 Regulatory Liquidity Risk Measures

CRR requires the Group to monitor and report a short term Liquidity Coverage Ratio (LCR). In Denmark the LCR is gradually phased in as a new minimum liquidity requirement. Initially, the requirement is set as 60% of the full requirement from October 2015, subsequently 70% in 2016, 80% in 2017 and 100% in 2018. As of 31 December 2015, the Saxo Bank Group reported an LCR ratio of 105%, thereby comfortably fulfilling the current regulatory LCR requirement.

Additional information on the composition of the LCR is disclosed in Annex D.

The Bank and the Group are required to hold liquidity at least equal to the current Internal Liquidity Adequacy Assessment Process (ILAAP) level as determined by the Board of Directors. The ILAAP is performed quarterly based on guidelines issued by the Danish FSA. The Group operates with a liquidity buffer available at all times in the form of unencumbered, highly liquid securities and cash instruments to address the estimated potential cash needs during a liquidity crisis.

In the ILAAP per end of 2015, it is concluded, that the Group has a safe operational setup within the liquidity area and that the current level of liquidity is sufficient to uphold the operation and to meet a prudent requirement under the LCR regime. Since the LCR requirement is the most challenging liquidity requirement for the Bank to fulfil it is also the one used in the internal liquidity adequacy measurement.

In addition to the LCR requirement, the Group complies with the section 152 requirements of the Danish Financial Business Act as well as with the liquidity requirement of the Supervisory Diamond.

The fulfilment of current Danish liquidity requirement is published in the Supervisory Diamond 2015 report available at www.saxobank.com/investor-relations.

Specification of the LCR for both the Bank and the Group can be found in Annex D.

11.5 Additional liquidity regulation

CRD IV and CRR also requires the Group to monitor and report a long-term Net Stable Funding Ratio (NSFR).

The scope of the NSFR is to ensure that banks have an appropriate amount of stable funding to support their assets and activities on a longer term (i.e. a one-year period). NSFR is planned to be a 100% requirement from 2018, but the exact timing will be decided by the EU based on recommendations from EBA. More information concerning NSFR can be found in section 13.1.6.

11.6 Internal assessment of the capital need concerning Liquidity Risks

In order to determine the capital requirement from liquidity risks, the Group conducts stress tests based on unlikely, but not impossible events, with an adverse effect on the Group's liquidity, cf. section 11.2.

The capital requirement from the liquidity risk is determined as the funding cost to raise liquidity, in order to cover the potential liquidity gap identified, using the stress tests.

11.7 Asset Encumbrance

The Group's main business activity includes derivatives trading, which requires posting collateral to cover margin requirements. Accordingly, the Group's asset encumbrance originates mostly from bonds and cash placed as collateral to cover margin requirements from financial counterparts and brokers. The Group primarily pledges bonds with a short maturity (less than one year) of high credit quality. A large part of the Group's unencumbered assets as disclosed in table 17.

An asset is encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralise or credit enhance any transaction from which it cannot be freely withdrawn. The level of encumbered assets shows the Bank's ability to arrange liquidity based on the current composition of the balance sheet.

The table below shows the level of asset encumbrance based on data end year 2015 for the Bank.

Table 17: Encumbered assets for Saxo Bank A/S (31/12/2015)

DKK 1,000	Carrying amount of encumbered assets	Carrying amount of unencumbered assets	Total	Encumbered assets in percent of total	Unencumbered assets in percent of total
Equity instruments	-	0	**0**	0.0%	0.0%
Debt securities	3,967,740	12,839,026	**16,806,766**	23.6%	76.4%
Cash and deposits in Central Banks	380,668	1,048,195	**1,428,863**	26.6%	73.4%
Other assets	0	9,668,741	**9,668,741**	0%	100%
Total	**4,348,407**	**23,555,962**	**27,904,370**	15.6%	84.4%

End of December 2015 15.6% of the total balance sheet was encumbered. A large portion of the Bank's balance sheet is unencumbered and is eligible for repurchase-transactions with the Danish Central Bank. Accordingly end of December 2015 49,7% of the Bank's balance sheet consisted of unencumbered cash and central bank deposits, and government bonds and Danish mortgage bonds eligible for repo-transactions.

Additional information on Asset Encumbrance in both the Bank and the Group can be found in Annex B.

12 Business Risk and Other Risk

The business risk and other risk catagories under the Pillar II ICAAP self assessment, reflects the risks of a direct or an indirect loss, or damaged reputation as a result of changes in external circumstances or events. Furthermore, the risk of insufficient future earnings from operating income is evaluated under the business risk category. The Group has some of the risks only partly captured in the other risk categories, or risk arising from identified model shortcomings that are not yet resolved.

13 Regulatory Landscape

The Bank is required to comply with Danish regulation and EU regulation on Bank level and Group level. In addition, some of the Group's subsidiaries are financial entities and are required to comply with local regulatory requirements. A list of the Bank´s subsidiaries can be found in table 1 in section 2.3.2.

The regulatory landscape is expected to undergo changes over the coming years including ongoing changes in the current implemented regulation. Changes in supervision and regulation could potentially materially affect the Group's business, the products and services offered or the value of the Group's assets.

13.1 CRD IV and CRR

CRD IV and CRR were applicable from the beginning of 2014 with some requirements being phased in over several years.

According to the above regulation EBA develops Implementing Technical Standards (ITS) and Regulatory Technical Standards (RTS). These are submitted to the European Commission for endorsement.

The standards apply directly to all banks in EU member states and the level of the Group's regulatory reporting has increased significantly. EBA will continue to issue RTS´s and ITS´s in the coming years according to the implementation plan.

13.1.1 Prudent Valuation

The RTS on Prudent Valuation enters into force Feburary 2016.

The Group's Total Capital end 2015 is based on final draft RTS on Prudent Valuation issued by EBA. The Prudent Valuation adjustment is disclosed in table 8. The final endorced RTS is not expected to have an impact on the Group's Total Capital level.

13.1.2 Change in Trigger Capital regulation

Guidelines issued from the Danish FSA allow the Group to use excess trigger capital (AT1 issue and Tier 2 issuances that include a trigger clause) to cover the Pillar II add-on requirement. This allows the Group to free up some of CET1 capital and thereby increase the CET1 excess capital. The Danish FSA's guideline is changed end 2015 to be aligned with EU requirements, but with transition rules on current issued capital until end December 2021. The new guideline is not expected to have an impact on the Groups excess trigger capital level.

The quarterly ICAAP report provides additional information regarding the Bank's and the Group's ICAAP level and the current trigger capital. The quarterly ICAAP reports are available at www.saxobank.com/investor-relations.

13.1.3 Transition of Additional Capital Buffer Requirements

According to CRD IV, the Group will be required to hold a capital conservation buffer to absorb losses and conserve capital, and a countercyclical capital buffer to ensure that in times of high economic growth, the Group accumulates sufficient capital to enable it to continue supplying a stable source of credit in a subsequent downturn.

In Denmark the capital conservation buffer will be phased in from 2016 and the countercyclical capital buffer from 2015. In addition, member states may require additional buffers. If a bank does not maintain these buffers, restrictions will be placed on its ability to pay dividends etc. until the buffers are rebuilt.

The capital conservation buffer will be phased in from 2016 starting at 0.625% of the Risk Exposure Amount and reaching 2.5% of the Risk Exposure Amount in 2019. The current level of the countercyclical buffer is disclosed in appendix E. As only a few countries have published buffer-rates above 0 % the current level of the countercyclical buffer is low.

13.1.4 Leverage Ratio

CRR requires the Group to report and monitor its leverage ratio. The leverage ratio is defined as Tier 1 capital divided by a non-risk-based measure of an institution's on- and off-balance sheet items (the "exposure measure"). The leverage ratio is currently assessed under Pillar II (ICAAP requirement).

Leverage Ratio is planned to be a 3 % binding requirement in 2018, exact timing and potential transition rules will be decided by the EU.

This expected additional minimum requirement is expected to be less restritive for the Group than the current minimum capital requirement.

The leverage ratio is disclosed in Appendix C.

13.1.5 Liqudity Coverage Ratio (LCR)

As described in section 9 some RTS issued by EBA are not approved by EU. Introduction of a final standard approved by EU may have an impact on the calculated Liquidity Coverage Ratio.

The Danish FSA plans to issue a change in the Danish Supervisory Diamond liquidity requirements in 2016 to be aligned with the LCR measure. This change may require the bank to hold a LCR above the minimum requirement set out in CRR.

The Danish FSA has different response options if a bank does not comply with the limits in the Supervisory Diamond. All reactions are based on an individual assessment.

13.1.6 Net Stable Funding Ratio (NSFR)

The aim of NSFR is to ensure that banks have an acceptable amount of stable funding to support their assets and activities over the medium term (i.e. a one-year period). The CRR allows the Commission to propose legislation for NSFR. Currently, the Group is required to monitor and report NSFR according to CRR.

In December 2015 EBA issued a Report to the EU Commission recommending that NSFR should be implemented as a minimum requirement to all banks on consolidated and individual basis in the EU. NSFR is scheduled to introduced as a binding requirement in 2018, however, the exact timing will be decided by the EU Commission.

The implementation and calibration of the final regulation may have an impact on the Group’s future funding structure.

13.2 Forthcoming capital regulation from the Basel Committee

13.2.1 Fundamental review of the Trading Book

In January 2016 the Basel Committee endorsed the new market risk framework including a revised standardised approach with a closer calibration to the internal model approach. The revised standardised approach is more advanced than the standard model currently used by the Group.

The revised market risk framework is planned to come into effect on 1 January 2019. The expected implementation in EU regulation may have an impact on the Group’s future capital requirements.

13.2.2 Revision of the operational risk approach

In March 2016 the Basel Committee published ‘consulting proposed revisions’ to the operational risk capital framework, including the model currently used by the Group (financial statement-based measure). The revised methodology combines a financial statement-based measure of operational risk with the individual firm's past operational losses. This results in a risk-sensitive framework, while also promoting consistency in the calculation of operational risk capital requirements across banks and jurisdictions.

The expected implementation in EU regulation may have an impact on the Group’s future capital requirements.

13.2.3 Revision of the Standardised Approach for credit risk

In December 2015 the Basel Committee published a second consultative document on the revision of the Standardised Approach for credit risk, which the Group applies. The proposal differs in several ways from the first consultative document and reintroduces the use of external ratings.

The final model and the expected following implementation in EU regulation may have an impact on the Group's future capital requirements depending on the final approach and final weight calibrations.

13.2.4 Revision of the Standardised Approach for counterparty credit risk

In March 2014, the Basel Committee finalised a revision of the Standardised Approach for measuring counterparty credit risk exposures. This approach replaces both the current Standard Approach and the Market to Market Approach currenly used by the Group and is scheduled to come into force on 1 January 2017.

The expected implementation in EU regulation may have an impact on the Bank's future capital requirements

13.2.5 Revision of the Credit Valuation Adjustment risk framework

In July 2015 the Basel Committee published a consultative document on the revision of the Credit Valuation Adjustment (CVA) Risk Framework which is currently used by the Group. The motivations for revising the current framework are, capturing all CVA risks and a better recognition of CVA hedges, alignment with industry practices for accounting purposes, and alignment with proposed revisions to the market risk framework.

13.2.6 Colleges of supervisors

In the beginning of 2016, the EU approved delegated regulation concerning a RTS and an ITS for specifying the general conditions for the functioning of colleges of supervisors. This may have an impact on the future supervision of the Group and the Group's subsidiaries.

13.3 EMIR

The European Market Infrastructure Regulation (EMIR) has been applicable since 2012. The Group is required to report derivatives transactions, clearing certain standardised derivatives with an approved central counterparty (CCP), and fulfil certain requirements related to risk management and credit risk mitigation (margin requirements inter alia) for derivatives not cleared with a central counterparty.

The Group's current OTC-traded derivatives are not cleared by a CCP.

A final draft RTS on risk mitigation techniques including margin requirements is issued by European Supervisory Authorities (EBA, EIOPA, ESMA - ESAs) in March 2016. According to this final draft RTS the margin requirements will be phased in during the coming years where the implementation date is individual based on the extent of the institution's derivatives trading.

13.4 MIFID II and MIFIR

The Markets in Financial Instruments Directive (MiFID II) and the Regulation on Markets in Financial Instruments (MiFIR) was adopted by the European Council and European Parliament in May 2014. The new rules will be applicable starting January 2018.

MiFID II includes provisions on trading in certain standardised OTC-products, enhanced investor protection and transparency regulation, corporate governance and other operational requirements, as well as record keeping and the use of algorithmic trading.

13.5 Money laundering

The fourth Directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, and Regulation on information accompanying transfers of funds, was adopted by the European Council and European Parliament on 20 May 2015. Member States have two years to transpose the new rules which will be applicable from 26 June 2017.

Tax crimes have been added as a predicate offence and domestic politically exposed persons are now covered by the directive, which broadens the scope of the directive. The regulation adds information on the payee to the information that has to follow a transaction.

13.6 Resolution and recovery of banks

From 2015 all Member States have to apply a single rulebook for the resolution of banks and large investment firms, as prescribed by the Bank Recovery and Resolution Directive (BRRD). The introduction of the BRRD is also complemented by the review of the Deposit Guarantee Scheme Directive (DGSD).

The new rules harmonise and improve the tools for dealing with bank crises across the EU. They will also ensure that shareholders and creditors of the banks will pay their share of the costs through a "bail-in" mechanism

The Directive was implemented in Danish law in June 2015. Furthermore, EBA have issued reports and technical advices to assist the Commission and co-legislators in considering delegated acts under these Directives and any need for future changes to the legislative framework.

This resolution and recovery regulation replaces the former Danish recovery and resolution regulation (e.g. the Danish bank packages).

13.6.1 Recovery plans

BRRD broadens the powers of national authorities to intervene and prevent banks from failing, while it requires banks themselves to prepare recovery plans including strategic objectives in critical situations. If failure cannot be avoided, authorities will be equipped with comprehensive powers and tools to restructure banks, allocating losses to shareholders and creditors, following a clearly defined hierarchy and set of protections for property rights. They will have the powers to implement plans to resolve failed banks in a way that preserves their most critical functions.

The Group has forwarded its recovery plan to the Danish FSA in December 2015.

13.6.2 Resolution Fund

A Danish resolution fund has been established where Danish credit institutions have to contribute on basis of the credit institutions individual data and risk relative to other credit institutions. The fund will be built up over a period of time.

The first contribution was paid end 2015 corresponding to 1/20 of the calculated fund goal. Saxo Bank A/S and Saxo Privatbank A/S paid in total DKK 1.7 million. The future contributions amounts may change due to change in the Group's individual data and risk relative to other institutions. In addition, the Group is required to contribute to other resolutions funds in other juristictions.

13.6.3 Minimum requirement for own funds and eligeble liabilities (MREL)

To avoid institutions structuring their liabilities in a way that impedes the effectiveness of the bail-in or other resolution tools, and to avoid the risk of contagion or a bank run, the BRRD requires that institutions at all times meet a robust minimum requirement of own funds and eligible liabilities (MREL). This is to be set on a case-by-case basis by the resolution authorities, based on criteria set out in the BRRD.

The MREL requirement is an individual requirement and is expected to be determined on both an individual level, including subsidiary institutions, and on a consolidated level. It is expected that institutions would have adequate time to meet this new requirement. It is expected that MREL-requirements for Danish banks will be introduced during 2016.

13.6.4 Deposit Guarantee Schemes

In Denmark, and other jurisdictions, Deposit Guarantee Schemes and similar funds have been implemented from which compensation for deposits may become payable to customers of financial services firms, in the event of a financial services firm being unable to pay, or unlikely to pay, claims against it.

In Denmark the funds in the existing deposit guarantee scheme funds named "Garantifonden" have been transferred to a new fund named "Garantiformuen" regulated under the Danish implementation of the Deposit Guarantee Scheme Directive (DGSD). Currently, the "Garantiformuen" is fully funded.

13.6.5 EU Deposit Insurance Scheme

In November 2015 the EU Commission proposed a Euro-area wide insurance scheme for bank deposits and has set out further measures to reduce remaining risks in the banking sector in parallel. The European Deposit Insurance Scheme will be built on the existing system, composed of national deposit guarantee schemes set up in line with European rules; individual depositors will continue to enjoy the same level of protection and overall cost-neutral for the banking sector.

The EU deposit insurance scheme is expected to be mandatory for euro area Member States and open to non-euro area Member States willing to join the Banking Union. Denmark is not part of the euro area, but may decide to join the Banking Union.

13.7 Accounting standards (IFRS)

As is stated in the Annual Report 2015 the Group adopts the new accounting standards and amendments when they become mandatory in EU. None of the standards and amendments are expected to have a material impact on the consolidated financial statements. However, a complete analysis of the impact of implementation of IFRS 9 (Financial Instruments) and IFRS 16 (Leases) on the Group is yet to be conducted. IFRS 9 and IFRS 16, which have not yet been adopted by the EU, are effective from respectively 1 January 2018 and 1 January 2019.

Depending on the impact analysis this may have an impact on the capital calculation.

13.8 Shadow Banking

‘Shadow banking entities' are entities that carry out bank-like activities outside a regulated and supervised framework and tend to be more vulnerable to liquidity problems, while remaining very interconnected to the banking sector, and thereby leading to financial stability concerns.

In December 2015 EBA issued a report and final guidelines on institutions exposures on shadow banking entities. These Guidelines propose the criteria to set limits on EU institutions’ exposures to shadow banking entities. It lays out a qualitative approach for institutions to develop their internal policies for monitoring and setting appropriate limits, both at individual and aggregate levels. The EBA Guidelines will apply as of 1 January 2017 and the competent authorities have to report whether they comply with the guidelines.

13.9 EU data protection reform

In December 2015 the EU Commission agreed on a data protection reform. The Reform consists of two instruments, a Regulation and a Directive.

The General Data Protection Regulation will enable people to better control their personal data. At the same time modernised and unified rules will allow businesses to make the most of the opportunities of the Digital Single Market by cutting red tape and benefiting from reinforced consumer trust.

The Data Protection Directive for the police and criminal justice sector will ensure that the data of victims, witnesses, and suspects of crimes, are duly protected in the context of a criminal investigation or a law enforcement action. At the same time more harmonised laws will also facilitate cross-border cooperation of police or prosecutors to combat crime and terrorism more effectively across Europe.

Following political agreement reached in trilogue, the final texts will be formally adopted by the European Parliament and Council at the beginning 2016. The new rules will become applicable two years thereafter in 2018.

The Commission will work closely with the Member State Data protection authorities to ensure a uniform application of the new rules. During the two-year transition phase, the Commission will inform citizens about their rights and companies about their obligations. The Data Protection Authorities will work more closely together in the future, especially through the one-stop shop mechanism to solve cross-border data protection cases.

14 Annex A: Additional own funds disclosures requirements

Annex A includes additional own funds disclosure requirements, according to Commission Implementation Regulation No 1423/2013, which lays down implementing technical standards with regard to the disclosure of own funds requirements for institutions according to CRR.

14.1 Saxo Bank Group

Table 18: Saxo Bank Group Balance Reconciliation (31/12/2015)

Item	Amount 1,000 DKK	Table in Annual Report	Item in table
OWN FUNDS	**2,689,473**	-	-
TIER 1 CAPITAL	**2,258,755**	-	-
COMMON EQUITY TIER 1 CAPITAL	**1,923,888**	-	-
Capital instruments eligible as CET1 Capital	**934,436**	-	-
Paid up capital instruments	**68,284**	Statement of Changes in Equity	Share Capital
Share premium	866,152	Statement of Changes in Equity	A part of Retained Earnings
Retained earnings	**2,367,039**	Statement of Changes in Equity	Retained Earnings
Accumulated other comprehensive income	**87,782**	Statement of Changes in Equity	Total other comprehensive income
Other reserves	**152,849**	-	Sum of translation, hedging and revaluation reserves
Translation reserve	156,516	Statement of Changes in Equity	Translation reserve
Hedging reserve	-60,568	Statement of Changes in Equity	Hedging reserve
Revaluation reserve	56,901	Statement of Changes in Equity	Revaluation reserve
Minority interest given recognition in CET1 capital	**435**	N/A	N/A (Output of a consolidation model, including transitional effects)
Transitional adjustments due to additional minority interests	**712**	N/A	N/A (Output of a consolidation model, including transitional effects)
Adjustments to CET1 due to prudential filters	**45,647**	-	-
Cash flow hedge reserve	52,319	Statement of Changes in Equity	Hedging Reserves
(-) Value adjustments due to the requirements for prudent valuation	-6,673	N/A	N/A (Output of AVA model)
(-) Goodwill	**-951,475**	-	-

(-) Goodwill accounted for as intangible assets	-951,475	Statement of Financial Position	A part of Intangible Assets
(-) Goodwill included in the valuation of significant investments	0	Statement of Financial Position	A part of Investments in associates
(-) Other intangible assets	**-590,272**	-	-
(-) Other intangible assets gross amount	-726,837	Statement of Financial Position	A part of Intangible Assets
Deferred tax liabilities associated to other intangible assets	136,565	Deferred tax assets and deferred tax liabilities	Deferred tax liabilities associated to Intangible Assets
(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	**-123,265**	Deferred tax assets and deferred tax liabilities	A part of Deferred Tax Assets
(-)Defined benefit pension fund assets	**0**	Pension and similar obligations	Output of translation calculations based on Net Assets
ADDITIONAL TIER 1 CAPITAL	**334,867**		
Capital instruments eligible as AT1 Capital	**334,802**	Statement of Changes in Equity	Additional Tier 1 Capital
Instruments issued by subsidiaries that are given recognition in the AT1 Capital	**163**	N/A	N/A (Output of a consolidation model, including transitional effects)
Transitional adjustments due to additional recognition in the AT1 Capital of instruments issued by subsidiaries	**-98**	N/A	N/A (Output of a consolidation model, including transitional effects)
TIER 2 CAPITAL	**430,718**		
Capital instruments and subordinated loans eligible as T2 Capital	**338,224**	Subordinated Debt	Tier 2 Capital
Transitional adjustments due to grandfathered T2 Capital instruments and subordinated loans	**92,385**	Subordinated Debt	N/A Output of maturity deduction calculations applied on Subordinated Loans
Instruments issued by subsidiaries that are given recognition in the T2 Capital	**272**	N/A	N/A (Output of a consolidation model, including transitional effects)
Transitional adjustments due to additional recognition in the T2 Capital of instruments issued by subsidiaries	**-163**	N/A	N/A (Output of a consolidation model, including transitional effects)

14.1.1 Saxo Bank Group's Capital Items – Part 1

Table 19: Group Capital Items Part 1

Issuer	Saxo Bank A/S	Saxo Bank A/S	Saxo Bank A/S
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement	N/A	XS1143478847	N/A
Governing law(s) of the instrument	Danish	English/Danish	Denmark
Regulatory treatment			
Transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Tier 2
Post-transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Ineligible
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & sub-consolidated	Solo & sub-consolidated	Solo & sub-consolidated
Instrument type (types to be specified by each jurisdiction)	Share capital as published in Regulation (EU) No 575/2013 article 28	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 52. Perpetual Fixed Rate Resettable Additional Tier 1 Capital Notes (Writedown Contingent Convertible Bond)	Tier 2 (grandfathered) as published in Regulation No 575/2013 article 484.5 (Floating Subordinated Rate Note)
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	DKK 934.9m	DKK 334.8m	DKK 2.2m
Nominal amount of instrument	DKK 68.3m	EUR 45m	EUR 1m
Issue price	N/A	100%	100%
Redemption price	N/A	100% of nominal amount	100%
Accounting classification	Shareholders' equity	Shareholders' equity	Liability - amortised cost
Original date of issuance	N/A	26/11/2014	12/12/2006
Perpeptual or dated	Perpetual	Perpetual	Dated
Original maturity date	No maturity	No maturity	15.12.2019
Issuer call subjet to prior supervisory approval	No	Yes	Yes
Optional call date, contingent call dates, and redemption amount	N/A	Optional call date: 26/02/2020 Optional redemption upon the occurence of a special event 100% of the nominal amount	Optional call dates from 15. December 2013 and forwards: Redemption price: Principal + accrued interest
Subsequent call dates, if applicable	N/A	Optional redemption on all interest payment dates after the first call date	Optional redemption on all interest payment dates after the first call date
Coupons / dividends			
Fixed or floating dividend/coupon	N/A	Fixed	Floating
Coupon rate and any related index	N/A	Fixed 9.75 per cent per annum, until first call date when reset and on each Reset date thereafter	Rate of Interest: Screen Rate + Margin Rate. Screen Rate: Mean of the rates quoted by major banks in the Euro-zone at appr.11.00 AM for a period of three months on the first day of such interes Period and for the representative amount.Margin: 2.95 percent per annum before 15.12.2016 and thereafter 3.95 percent per annum.
Existence of a dividend stopper	N/A	No, payments of interest on the notes may be cancelled even if holder of the	Yes

		Issuer's shares continue to receive dividends.	
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Full discretionary	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Full discretionary	Mandatory
Existence of step up or other incentive to redeem	N/A	No	Yes
Non cumulative or cumulative	N/A	Non cumulative	Cumulative
Convertible or non-convertible	N/A	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A
If convertible, specifiy instrument type convertible into	N/A	N/A	N/A
If convertible, specifiy issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	N/A	Yes	No
If write-down, write-down trigger(s)	N/A	If at any time the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Group has fallen below 7.000 per cent., the Outstanding Principal Amounts shall be reduced (in whole or in part).	N/A
If write-down, full or partial	N/A	Fully or partially	N/A
If write-down, permanent or temporary	N/A	Permanent/Temporary Following any such reduction of the Outstanding Principal Amounts, the Issuer may, at its discretion, reinstate in whole or in part the principal amount of the Notes, if certain conditions are met.	N/A
If temporary write-down, description of write-up mechanism	N/A	Following a reduction of the Outstanding Principal Amounts, the Issuer may, at its discretion, reinstate some or all of the principal amount of the Notes, subject to compliance with the Relevant Rules (including the Maximum Distributable Amount (if any) and, for such purpose, the amount of such reinstatement shall be aggregated together with other distributions of the Issuer or the Group of the kind referred to in Article 141(2) of the CRD IV Directive or, if different, any provision of Danish law implementing Article 141(2) of the CRD IV Directive), on a pro-rata basis with all other Discretionary Temporary Loss Absorption Instruments (if any) which would, following such reinstatement, constitute Additional Tier 1 Capital.	N/A
Position in subordination hierachy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1	Tier 2	Subordinated to Senior

Non-compliant transitioned features	No	No	Yes
If yes, specifiy non-compliant features	N/A	N/A	Instrument issued according to earlier rules. Features include e.g. step-up

14.1.2 Saxo Bank Group's Capital Items – Part 2

Table 20: Group Capital items Part 2

Issuer	Saxo Bank A/S	Saxo Bank A/S	Saxo Bank A/S	Saxo Bank A/S
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement	N/A	N/A	N/A	N/A
Governing law(s) of the instrument	Denmark	Denmark	Denmark	Denmark
Regulatory treatment				
Transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2
Post-transitional CRR rules	Ineligible	Ineligible	Ineligible	Eligible
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & sub-consolidated	Solo & sub-consolidated	Solo & sub-consolidated	Solo & sub-consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 (grandfathered) as published in Regulation No 575/2013 article 484.5 (Floating Subordinated Rate Note)	Tier 2 (grandfathered) as published in Regulation No 575/2013 article 484.5 (Floating Subordinated Rate Note)	Tier 2 (grandfathered) as published in Regulation No 575/2013 article 484.5 (Floating Subordinated Rate Note)	Tier 2 as published in Regulation No 575/2013, art. 62
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	DKK 26.2m	DKK 49.5m	DKK 33.0m	DKK 337.3m
Nominal amount of instrument	EUR 12m	EUR 15m	EUR 10m	EUR 50m
Issue price	100%	97%	97%	92.5%
Redemption price	100%	100%	100%	100%
Accounting classification	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost
Original date of issuance	12/12/2006	1/5/2007	26/6/2007	14/4/2015
Perpeptual or dated	Dated	Dated	Dated	Dated
Original maturity date	15.12.2019	01.09.2020	15.09.2020	14/4/2025
Issuer call subjet to prior supervisory approval	Yes	Yes	Yes	Yes
Optional call date, contingent call dates, and redemption amount	Optional call dates from 15. December 2013 and forwards: Redemption price: Principal + accrued interest	Optional call dates from 15. December 2017 and forwards: Redemption price: Principal + accrued interest	Optional call dates from 15. December 2017 and forwards: Redemption price: Principal + accrued interest	14/4/2020. Redemption price: Principle + accrued interest
Subsequent call dates, if applicable	Optional redemption on all interest payment dates after the first call date	Optional redemption on all interest payment dates after the first call date	Optional redemption on all interest payment dates after the first call date	N/A
Coupons / dividends				
Fixed or floating dividend/coupon	Floating	Floating	Floating	Fixed
Coupon rate and any related index	Rate of Interest: Screen Rate + Margin Rate. Screen Rate: Mean of the rates quoted by major banks in the Euro-zone at appr.11.00 AM for a period of three months on the first day of such interest Period and for the representative amount. Margin Rate: 2.95 percent per annum before 15.12.2016 and	Rate of Interest: Screen Rate + Margin Rate. Screen Rate: Mean of the rates quoted by major banks in the Euro-zone at appr.11.00 AM for a period of three months on the first day of such interest Period and for the representative amount.Margin: 2.95 percent per annum before 15.09.2017 and thereafter 3.95 percent	Rate of Interest: Screen Rate + Margin Rate. Screen Rate: Mean of the rates quoted by major banks in the Euro-zone at appr.11.00 AM for a period of three months on the first day of such interest Period and for the representative amount.Margin: 2.95 percent per annum before 15.09.2017 and thereafter 3.95 percent	First initial rate of interest period (only first interest period): 14.4%, Second initial rate of interest (all preceding interest periods): 12%

	thereafter 3.95 percent per annum.	per annum.	per annum.	
Existence of a dividend stopper	Yes	Yes	Yes	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Partially discretionary	Partially discretionary	Partially discretionary	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Partially discretionary	Partially discretionary	Partially discretionary	Mandatory
Existence of step up or other incentive to redeem	Yes	Yes	Yes	No
Noncumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Convertible
If convertible, conversion trigger(s)	N/A	N/A	N/A	7% CET1 capital ratio
If convertible, fully or partially	N/A	N/A	N/A	Fully/Partially restoring the 7% CET1 capital ratio
If convertible, conversion rate	N/A	N/A	N/A	10 EUR per ordinary share, with adjustments in certain circumstances
If convertible, mandatory or optional conversion	N/A	N/A	N/A	Mandatory
If convertible, specifiy instrument type convertible into	N/A	N/A	N/A	Share capital
If convertible, specifiy issuer of instrument it converts into	N/A	N/A	N/A	Saxo Bank A/S
Write-down features	No	No	No	No
If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A
Position in subordination hierachy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to Senior	Subordinated to Senior	Subordinated to Senior	Subordinated to Senior
Non-compliant transitioned features	Yes	Yes	Yes	No
If yes, specifiy non-compliant features	Instrument issued according to earlier rules. Features include e.g. step-up	Instrument issued according to earlier rules. Features include e.g. step-up	Instrument issued according to earlier rules. Features include e.g. step-up	N/A

14.1.3 Saxo Bank Group's Capital Instruments' Main Features – Part 3

Table 21: Group Capital items part 3

Issuer	Saxo Bank A/S	Saxo Privatbank A/S
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	DK018800002
Governing law(s) of the instrument	Danish	Danish
Regulatory treatment		
Transitional CRR rules	Tier 2	Common Equity Tier 1
Post-transitional CRR rules	Ineligible	Common Equity Tier 1
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & sub-consolidated	Solo & sub-consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 (grandfathered) as published in Regulation No 575/2013 article 484.5 (Floating Subordinated Rate Note)	Share capital as published in Regulation (EU) No 575/2013 article 28
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	DKK 15.3m	DKK 267.6m (before consolidation)
Nominal amount of instrument	EUR 7m	DKK 267.6m
Issue price	97%	N/A
Redemption price	100%	N/A
Accounting classification	Liability - amortised cost	Shareholders' equity
Original date of issuance	12/12/2006	N/A
Perpeptual or dated	Dated	Perpetual
Original maturity date	15/09/2019	No maturity
Issuer call subject to prior supervisory approval	Yes	No
Optional call date, contingent call dates, and redemption amount	Optional call dates from 15. December 2013 and forwards: Redemption price: Principal + accrued interest	N/A
Subsequent call dates, if applicable	Optional redemption on all interest payment dates after the first call date	N/A
Coupons / dividends		
Fixed or floating dividend/coupon	Floating	N/A
Coupon rate and any related index	Rate of Interest: Screen Rate + Margin Rate.	N/A

	Screen Rate: Mean of the rates quoted by major banks in the Euro-zone at appr.11.00 AM for a period of three months on the first day of such interest Period and for the representative amount.Margin: 2.95 percent per annum before 15.12.2016 and thereafter 3.95 percent per annum.	
Existence of a dividend stopper	Yes	N/A
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Partially discretionary	Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Partially discretionary	Fully discretionary
Existence of step up or other incentive to redeem	Yes	N/A
Non cumulative or cumulative	Cumulative	N/A
Convertible or non-convertible	Non-convertible	N/A
If convertible, conversion trigger(s)	N/A	N/A
If convertible, fully or partially	N/A	N/A
If convertible, conversion rate	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A
If convertible, specifiy instrument type convertible into	N/A	N/A
If convertible, specifiy issuer of instrument it converts into	N/A	N/A
Write-down features	No	N/A
If write-down, write-down trigger(s)	N/A	N/A
If write-down, full or partial	N/A	N/A
If write-down, permanent or temporary	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A
Position in subordination hierachy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to Senior	Additional Tier 1
Non-compliant transitioned features	Yes	No
If yes, specifiy non-compliant features	Instrument issued according to earlier rules. Features include e.g. step-up	N/A

14.1.4 Saxo Bank Group Transitional Own Funds Disclosure

Table 22: Saxo Bank Group Transitional Own Funds Disclosure

	Common Equity Tier 1 capital: instruments and reserves (1)	31/12/2015 DKK 1,000	(B) REGULATION (EU) No 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) No 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) 575/2013
1	Capital instruments and the related share premium accounts	934,436	26 (1), 27, 28, 29, EBA list 26 (3)	N/A
	of which: Instrument type 1	N/A	EBA list 26 (3)	N/A
	of which: Instrument type 2	N/A	EBA list 26 (3)	N/A
	of which: Instrument type 3	N/A	EBA list 26 (3)	N/A
2	Retained earnings	2,367,039	26 (1) (c)	N/A
3	Accumulated other comprehensive income (and any other reserves)	240,632	26 (1)	N/A
3a	Funds for general banking risk	N/A	26 (1) (f)	N/A
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	N/A	486 (2)	N/A
	Public sector capital injections grandfathered until 1 january 2018	N/A	483 (2)	N/A
5	Minority interests (amount allowed in consolidated CET1)	1,147	84, 479, 480	45,392
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0	26 (2)	N/A
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	3,543,254	-	N/A

Common Equity Tier 1 (CET1) capital: regulatory adjustments

7	Additional value adjustments (negative amount)	-6,673	34, 105	N/A
8	Intangible assets (net of related tax liability) (negative amount)	-1,541,747	36 (1) (b), 37, 472 (4)	N/A
9	Empty set in the EU		-	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary difference (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-123,265	36 (1) (c), 38, 472 (5)	0
11	Fair value reserves related to gains or losses on cash flow hedges	52,319	33 (a)	N/A
12	Negative amounts resulting from the calculation of expected loss amounts	0	36 (1) (d), 40, 159, 472 (6)	N/A
13	Any increase in equity that results from securitised assets (negative amount)	0	32 (1)	N/A
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0	33 (1) (b) (c)	N/A
15	Defined-benefit pension fund assets (negative amount)	0	36 (1) (e), 41, 472 (7)	0
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	0	36 (1) (f), 42, 472 (8)	N/A
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negatvie amount)	0	36 (1) (g), 44, 472 (9)	N/A
18	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)	N/A
19	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11)	N/A
20	Empty set in the EU	0	-	
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	0	36 (1) (k)	N/A

20b	of which: qualifying holdings outside the financial sector (negative amount)	0	36 (1) (k) (i), 89 to 91	N/A
20c	of which: securitisation positions (negative amount)	0	36 (1) (k) (ii) ,243 (1) (b), 244 (1) (b), 258	N/A
20d	of which: free deliveries (negative amount)	0	36 (1) (k) (iii), 379 (3)	N/A
21	Deferred tax assets arising from temporary difference (amount above 10 % threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	0	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	N/A
22	Amount exceeding the 15% threshold (negative amount)	0	48 (1)	N/A
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	0	36 (1) (i), 48 (1) (b), 470, 472 (11)	N/A
24	Empty set in the EU	0	-	N/A
25	of which: deferred tax assets arising from temporary difference	0	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	N/A
25a	Losses for the current financial year (negative amount)	0	36 (1) (a), 472 (3)	N/A
25b	Foreseeable tax charges relating to CET1 items (negative amount)	0	36 (1) (l)	N/A
27	Qualifying AT1 deductions that exceeds the AT1 capital of the institution (negative amount)	0	36 (1) (j)	N/A
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	-1,619,366	-	-
29	**Common Equity Tier 1 (CET1) capital**	1,923,888	-	-

Additional Tier 1 (AT1) capital: instruments

30	Capital instruments and the related share premium accounts	0	51, 52	N/A

31	of which: classified as equity under applicable accounting standards	334,802	-	N/A
32	of which: classified as liabilities under applicable accounting standards	0	-	N/A
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	0	486 (3)	N/A
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interest not included in row 5) issued by subsidiaries and held by third parties	65	85, 86, 480	-5,002
35	of which: instruments issued by subsidiaries subject to phase-out	0	486 (3)	N/A
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	334,867	-	N/A

Additional Tier 1 (AT1) capital: regulatory adjustments

37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	0	52 (1) (b), 56 (a), 57, 475 (2)	N/A
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	56 (b), 58, 475 (3)	N/A
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	56 (c), 59, 60, 79, 475 (4)	N/A
40	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	56 (d), 59, 79, 475 (4)	N/A
41	Regulatory adjustments applied to Additional Tier 1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No 585/2013 (ie. CRR residual amounts)	0	-	N/A
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	0	472, 473(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)	N/A
	Of which items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses, etc.	0	-	N/A
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	0	477, 477 (3), 477 (4) (a)	N/A

	Of which items to be detailed line by line, e.g. reciprocal cross holdings in Tier 2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.	0	-	N/A
41c	Amounts to be deducted from added to Additional Tier 1 capital with regard to additional filters and deductions required pre- CRR	0	467, 468, 481	N/A
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	0	56 (e)	N/A
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	0	-	N/A
44	**Additional Tier 1 (AT1) capital**	334,867	-	N/A
45	**Tier 1 capital (T1 = CET1 + AT1)**	2,258,755	-	N/A

Tier 2 (T2) capital: instruments and provisions

46	Capital instruments and the related share premium accounts	430,609	62, 63	N/A
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	0	486 (4)	N/A
	Public sector capital injections grandfathered until 1 january 2018	0	483 (4)	N/A
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interest and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third party	109	87, 88, 480	-7,129
49	of which: instruments issued by subsidiaries subject to phase-out	0	486 (4)	N/A
50	Credit risk adjustments	0	62 (c) & (d)	N/A
51	**Tier 2 (T2) capital before regulatory adjustment**	430,718	-	N/A

Tier 2 (T2) capital: regulatory adjustments

52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	0	63 (b) (i), 66 (a), 67, 477 (2)	N/A
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institutions designed to inflate artificially the own funds of the institution (negative amount)	0	66 (b), 68, 477 (3)	N/A
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)	0	66 (c), 69, 70, 79, 477 (4)	N/A
54a	Of which new holdings not subject to transitional arrangements	0	-	N/A
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements	0	-	N/A
55	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amounts)	0	66 (d), 69, 79, 477 (4)	N/A
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	0	-	N/A
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	0	472, 472(3)(a), 472 (4), 472 (6), 472 (8), 472 (9), 472 (10) (a), 472 (11) (a)	N/A
	of which: instruments issued by subsidiaries subject to phase-out	0	-	N/A
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	0	475, 475 (2) (a), 475 (3), 475 (4) (a)	N/A
	Of which items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses, etc.	0	-	N/A
56c	Amounts to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre- CRR	0	467, 468, 481	N/A
57	**Total regulatory adjustments to Tier 2 (T2) capital**	0	-	N/A
58	**Tier 2 (T2) capital**	430,718	-	N/A
59	**Total capital (TC = T1 + T2)**	2,689,473	-	N/A

59a	Risk Exposure Amounts in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amount)	N/A	-	N/A
	Of which:… items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc)	230,985	472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)	N/A
	Of which:…items not deducted from AT1 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.)	0	475, 475 (2) (b), 475 (2) ©, 475 (4) (b)	N/A
	Items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc)	0	477, 477 (2) (b), 477 (2) (c), 477 (4) (b)	N/A
60	**Total Risk Exposure Amounts**	12,975,478	-	N/A

Capital ratios and buffers

61	Common Equity Tier 1 (as a percentage of total Risk Exposure amount)	14.83%	92 (2) (a), 465	N/A
62	Tier 1 (as a percentage of total Risk Exposure Amount)	17.41%	92 (2) (b), 465	N/A
63	Total capital (as a percentage of total Risk Exposure Amount)	20.73%	92 (2) (c)	N/A
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements plus a systemic risk buffer, plus systemically important institution buffer expressed as a percentage of total Risk Exposure Amount)	259	CRD 128, 129, 140	N/A
65	of which: capital conservation buffer requirement	not yet implemented	-	N/A
66	of which: countercyclical buffer requirement	259	-	N/A
67	of which: systemic risk buffer requirement	not yet implemented	-	N/A
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	N/A	CRD 131	N/A
68	Common Equity Tier 1 available to meet buffers (as a percentage of Risk Exposure Amount)	not yet implemented	CRD 128	N/A

69	[non-relevant in EU regulation]	N/A	-	N/A
70	[non-relevant in EU regulation]	N/A	-	N/A
71	[non-relevant in EU regulation]	N/A	-	N/A

Amounts below the thresholds for deduction (before risk-weighting)

72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions	24,382	36 (1) (h), 45, 46, 472 (10) 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477 (4)	N/A
73	Direct and indirect holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions	0	36 (1) (i), 45, 48, 470, 472 (11)	N/A
74	Empty set in the EU	N/A	-	N/A
75	Deferred tax assets arising from temporary difference (amount below 10 % threshold, net of related tax liability where the conditions in Article 38 (3) are met)	68,012	36 (1) (c), 38, 48, 470, 472 (5)	N/A

Applicable caps on the inclusion of provisions in Tier 2

76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	0	62	N/A
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	0	62	N/A
78	Credit risk adjustments included in T2 in respect of exposures subject to internal rating-based approach (prior to the application of the cap)	0	62	N/A
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	0	62	N/A

Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)

80	- Current cap on CET1 instruments subject to phase-out arrangements	0	484 (3), 486 (2) & (5)	N/A
81	- Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0	484 (3), 486 (2) & (5)	N/A
82	- Current cap on AT1 instruments subject to phase-out arrangements	0	484 (4), 486 (3) & (5)	N/A
83	- Amount excluded from AT1 due to cap (excess over the cap after redemptions and maturities)	0	484 (4), 486 (3) & (5)	N/A
84	- Current cap on T2 instruments subject to phase-out arrangements	234,998	484 (5), 486 (4) & (5)	N/A
85	- Amount excluded from T2 due to cap (excess over the cap after redemptions and maturities)	0	484 (5), 486 (4) & (5)	N/A

14.2 Saxo Bank A/S

Table 23: Saxo Bank A/S Balance sheet reconciliation (31/12/2015)

Item	Amount (1,000 DKK)	Table in Annual Report	Item in table
OWN FUNDS	**2,673,289**	**-**	**-**
TIER 1 CAPITAL	**2,242,680**	**-**	**-**
COMMON EQUITY TIER 1 CAPITAL	**1,907,878**	**-**	**-**
Capital instruments eligible as CET1 Capital	**934,436**	**-**	**-**
Paid up capital instruments	**68,284**	Statement of Changes in Equity	Share Capital
Share premium	866,152	Statement of Changes in Equity	A part of Retained Earnings
Retained earnings	**2,285,540**	Statement of Changes in Equity	Retained Earnings
Accumulated other comprehensive income	**87,782**	Statement of Changes in Equity	Total other comprehensive income
Other reserves	**234,916**	-	Sum of translation, hedging and revaluation reserves
Equity method reserve	234,916	Statement of Changes in Equity	Translation reserve
Minority interest given recognition in CET1 capital	0	N/A	N/A (Output of a consolidation model, including transitional effects)
Transitional adjustments due to additional minority interests	0	N/A	N/A (Output of a consolidation model, including transitional effects)
Adjustments to CET1 due to prudential filters	**-2,949**	-	-
(-) Value adjustments due to the requirements for prudent valuation	**-2,949**	N/A	N/A (Output of AVA model)
(-) Goodwill	**-941,523**	-	-
(-) Goodwill accounted for as intangible asset	-941,523	Statement of Financial Position	A part of Intangible Assets
(-) Goodwill included in the valuation of significant investments	0	Statement of Financial Position	A part of Investments in associates
(-) Other intangible assets	**-613,281**	-	-
(-) Other intangible assets gross amount	-761,701	Statement of Financial Position	A part of Intangible Assets
Deferred tax liabilities associated to other intangible assets	148,420	Deferred tax assets and deferred tax liabilities	Deferred tax liabilities associated to Intangible Assets
(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of	**-77,044**	Deferred tax assets and deferred tax liabilities	A part of Deferred Tax Assets

associated tax liabilities

(-)Defined benefit pension fund assets	0	Pension and similar obligations	Output of translation calculations based on Net Assets
ADDITIONAL TIER 1 CAPITAL	334,802		
Capital instruments eligible as AT1 Capital	**334,802**	Statement of Changes in Equity	Additional Tier 1 Capital
Instruments issued by subsidiaries that are given recognition in AT1 Capital	**0**	N/A	N/A (Output of a consolidation model, including transitional effects)
Transitional adjustments due to additional recognition in AT1 Capital of instruments issued by subsidiaries	**0**	**N/A**	N/A (Output of a consolidation model, including transitional effects)
TIER 2 CAPITAL	**430,609**		
Transitional adjustments due to grandfathered T2 Capital instruments and subordinated loans	**338,224**	Subordinated Debt	Tier 2 Capital Instrument
Instruments issued by subsidiaries that are given recognition in T2 Capital	**92,385**	Subordinated Debt	N/A (Output of maturity deduction calculations applied on Subordinated Loans)
Transitional adjustments due to additional recognition in T2 Capital of instruments issued by subsidiaries	**0**	N/A	N/A (Output of a consolidation model, including transitional effects)

14.2.1 Saxo Bank A/S – Capital Instruments' Main Features Part 1

Table 24: Saxo Bank A/S Capital items part 1

Issuer	Saxo Bank A/S	Saxo Bank A/S	Saxo Bank A/S	Saxo Bank A/S
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	XS1143478847	N/A	N/A
Governing law(s) of the instrument	Danish	English/Danish	Denmark	Denmark
Regulatory treatment				
Transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Tier 2	Tier 2
Post-transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Ineligible	Ineligible
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & sub-consolidated	Solo & sub-consolidated	Solo & sub-consolidated	Solo & sub-consolidated
Instrument type (types to be specified by each jurisdiction)	Share capital as published in Regulation (EU) No 575/2013 article 28	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 52. Perpetual Fixed Rate Resettable Additional Tier 1 Capital Notes (Writedown Contingent Convertible Bond)	Tier 2 (grandfathered) as published in Regulation No 575/2013 article 484.5 (Floating Subordinated Rate Note)	Tier 2 (grandfathered) as published in Regulation No 575/2013 article 484.5 (Floating Subordinated Rate Note)
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	DKK 934.9m	DKK 334.8m	DKK 2.2m	DKK 26.2m
Nominal amount of instrument	DKK 68.3m	EUR 45m	EUR 1m	EUR 12m
Issue price	N/A	100%	100%	100%
Redemption price	N/A	100% of nominal amount	100%	100%
Accounting classification	Shareholders' equity	Shareholders' equity	Liability - amortised cost	Liability - amortised cost
Original date of issuance	N/A	26/11/2014	12/12/2006	12/12/2006
Perpeptual or dated	Perpetual	Perpetual	Dated	Dated
Original maturity date	No maturity	No maturity	15.12.2019	15.12.2019
Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes
Optional call date, contingent call dates, and redemption amount	N/A	Optional call date: 26/02/2020 . Optional redemption upon the occurence of a special event (100% of the nominal amount)	Optional call dates from 15. December 2013 and forwards: Redemption price: Principal + accrued interest	Optional call dates from 15. December 2013 and forwards: Redemption price: Principal + accrued interest
Subsequent call dates, if applicable	N/A	Optional redemption on all interest payment dates after the first call date	Optional redemption on all interest payment dates after the first call date	Optional redemption on all interest payment dates after the first call date
Coupons / dividends				
Fixed or floating dividend/coupon	N/A	Fixed	Floating	Floating
Coupon rate and any related index	N/A	Fixed 9.75 per cent per annum, until first call date when reset and on each Reset date thereafter	Rate of Interest: Screen Rate + Margin Rate. Screen Rate: Mean of the rates quoted by major banks in the Euro-zone at appr. 11.00 AM for a period of three months on the first day of such interes Period and for the representative amount. Margin: 2.95 percent per annum before 15.12.2016 and thereafter 3.95 percent per annum.	Rate of Interest: Screen Rate + Margin Rate. Screen Rate: Mean of the rates quoted by major banks in the Euro-zone at appr.11.00 AM for a period of three months on the first day of such interest period and for the representative amount. Margin Rate: 2.95 percent per annum before 15.12.2016 and thereafter 3.95 percent per annum.
Existence of a dividend stopper	N/A	No, payments of interest on the notes may be cancelled even if holder of the Issuer's shares continue to receive dividends.	Yes	Yes

Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Full discretionary	Mandatory	Partially discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Full discretionary	Mandatory	Partially discretionary
Existence of step up or other incentive to redeem	N/A	No	Yes	Yes
Noncumulative or cumulative	N/A	Non cumulative	Cumulative	Cumulative
Convertible or non-convertible	N/A	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
If convertible, specifiy instrument type convertible into	N/A	N/A	N/A	N/A
If convertible, specifiy issuer of instrument it converts into	N/A	N/A	N/A	N/A
Write-down features	N/A	Yes	No	No
If write-down, write-down trigger(s)	N/A	If at any time the Common Equity Tier 1 Capital Ratio of the Issuer and/or the Group has fallen below 7.000 per cent., the Outstanding Principal Amounts shall be reduced (in whole or in part).	N/A	N/A
If write-down, full or partial	N/A	Fully or partially	N/A	N/A
If write-down, permanent or temporary	N/A	Permanent/Temporary Following any such reduction of the Outstanding Principal Amounts, the Issuer may, at its discretion, reinstate in whole or in part the principal amount of the Notes, if certain conditions are met.	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	Following a reduction of the Outstanding Principal Amounts, the Issuer may, at its discretion, reinstate some or all of the principal amount of the Notes, subject to compliance with the Relevant Rules (including the Maximum Distributable Amount (if any) and, for such purpose, the amount of such reinstatement shall be aggregated together with other distributions of the Issuer or the Group of the kind referred to in Article 141(2) of the CRD IV Directive or, if different, any provision of Danish law implementing Article 141(2) of the CRD IV Directive), on a pro-rata basis with all other Discretionary Temporary Loss Absorption Instruments (if any) which would, following such reinstatement, constitute Additional Tier 1 Capital.	N/A	N/A
Position in subordination hierachy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1	Tier 2	Subordinated to Senior	Subordinated to Senior
Non-compliant transitioned features	No	No	Yes	Yes
If yes, specifiy non-compliant features	N/A	N/A	Instrument issued according to earlier rules. Features include e.g. step-up	Instrument issued according to earlier rules. Features include e.g. step-up

14.2.2 Saxo Bank A/S – Capital Instruments' Main Features Part 2

Table 25: Saxo Bank A/S Capital items part 2

Issuer	Saxo Bank A/S	Saxo Bank A/S	Saxo Bank A/S	Saxo Bank A/S
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement	N/A	N/A	N/A	N/A
Governing law(s) of the instrument	Denmark	Denmark	Denmark	Denmark
Regulatory treatment				
Transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2
Post-transitional CRR rules	Ineligible	Ineligible	Ineligible	Eligible
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & sub-consolidated	Solo & sub-consolidated	Solo & sub-consolidated	Solo & sub-consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 (grandfathered) as published in Regulation No 575/2013 article 484.5 (Floating Subordinated Rate Note)	Tier 2 (grandfathered) as published in Regulation No 575/2013 article 484.5 (Floating Subordinated Rate Note)	Tier 2 (grandfathered) as published in Regulation No 575/2013 article 484.5 (Floating Subordinated Rate Note)	Tier 2 as published in Regulation No 575/2013, art. 62
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	DKK 49.5m	DKK 33.0m	DKK 15.3m	DKK 337.3m
Nominal amount of instrument	EUR 15m	EUR 10m	EUR 7m	EUR 50m
Issue price	97%	97%	97%	93%
Redemption price	100%	100%	100%	100%
Accounting classification	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost
Original date of issuance	1/5/2007	26/6/2007	12/12/2006	14/4/2015
Perpetual or dated	Dated	Dated	Dated	Dated
Original maturity date	01.09.2020	15.09.2020	15/09/2019	14/4/2025
Issuer call subjet to prior supervisory approval	Yes	Yes	Yes	Yes
Optional call date, contingent call dates, and redemption amount	Optional call dates from 15. December 2017 and forwards: Redemption price: Principal + accrued interest	Optional call dates from 15. December 2017 and forwards: Redemption price: Principal + accrued interest	Optional call dates from 15. December 2013 and forwards: Redemption price: Principal + accrued interest	14/4/2020. Redemption price: Principle + accrued interest
Subsequent call dates, if applicable	Optional redemption on all interest payment dates after the first call date	Optional redemption on all interest payment dates after the first call date	Optional redemption on all interest payment dates after the first call date	N/A
Coupons / dividends				
Fixed or floating dividend/coupon	Floating	Floating	Floating	Fixed

Coupon rate and any related index	Rate of Interest: Screen Rate + Margin Rate. Screen Rate: Mean of the rates quoted by major banks in the Euro-zone at appr.11.00 AM for a period of three months on the first day of such interes Period and for the representative amount.Margin: 2.95 percent per annum before 15.09.2017 and thereafter 3.95 percent per annum.	Rate of Interest: Screen Rate + Margin Rate. Screen Rate: Mean of the rates quoted by major banks in the Euro-zone at appr.11.00 AM for a period of three months on the first day of such interes Period and for the representative amount.Margin: 2.95 percent per annum before 15.09.2017 and thereafter 3.95 percent per annum.	Rate of Interest: Screen Rate + Margin Rate. Screen Rate: Mean of the rates quoted by major banks in the Euro-zone at appr.11.00 AM for a period of three months on the first day of such interes Period and for the representative amount.Margin: 2.95 percent per annum before 15.12.2016 and thereafter 3.95 percent per annum.	First initial rate of interest period (only first interest period): 14.4%, Second initial rate of interest (all preceding interest periods): 12%
Existence of a dividend stopper	Yes	Yes	Yes	No
Fully discretionary, partially discretionary or mandatory (in terms of timing	Partially discretionary	Partially discretionary	Partially discretionary	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Partially discretionary	Partially discretionary	Partially discretionary	Mandatory
Existence of step up or other incentive to redeem	Yes	Yes	Yes	No
Noncumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A	7% CET1 capital ratio
If convertible, fully or partially	N/A	N/A	N/A	Fully/Partially restoring the 7% CET1 capital ratio
If convertible, conversion rate	N/A	N/A	N/A	10 EUR per ordinary share, with adjustments in certain circumstances
If convertible, mandatory or optional conversion	N/A	N/A	N/A	Mandatory
If convertible, specifiy instrument type convertible into	N/A	N/A	N/A	Share capital
If convertible, specifiy issuer of instrument it converts into	N/A	N/A	N/A	Saxo Bank A/S
Write-down features	No	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A
Position in subordination hierachy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to Senior	Subordinated to Senior	Subordinated to Senior	Subordinated to Senior
Non-compliant transitioned features	Yes	Yes	Yes	No
If yes, specifiy non-compliant features	Instrument issued according to earlier rules. Features include e.g. step-up	Instrument issued according to earlier rules. Features include e.g. step-up	Instrument issued according to earlier rules. Features include e.g. step-up	N/A

14.2.3 Saxo Bank A/S – Transitional Own Funds Disclosure

Table 26: Saxo Bank A/S Own Funds

	Common Equity Tier 1 capital: instruments and reserves (1)	31/12/2015 DKK 1,000	(B) REGULATION (EU) No 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) No 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) 575/2013
1	Capital instruments and the related share premium accounts	934,436	26 (1), 27, 28, 29, EBA list 26 (3)	N/A
	of which: Instrument type 1	N/A	EBA list 26 (3)	N/A
	of which: Instrument type 2	N/A	EBA list 26 (3)	N/A
	of which: Instrument type 3	N/A	EBA list 26 (3)	N/A
2	Retained earnings	2,285,540	26 (1) (c)	N/A
3	Accumulated other comprehensive income (and any other reserves)	322,698	26 (1)	N/A
3a	Funds for general banking risk	N/A	26 (1) (f)	N/A
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	N/A	486 (2)	N/A
	Public sector capital injections grandfathered until 1 january 2018	N/A	483 (2)	N/A
5	Minority interests (amount allowed in consolidated CET1)	0	84, 479, 480	N/A
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0	26 (2)	N/A
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	3,542,674	-	N/A
Common Equity Tier 1 (CET1) capital: regulatory adjustments				

7	Additional value adjustments (negative amount)	-2,949	34, 105	N/A
8	Intangible assets (net of related tax liability) (negative amount)	-1,554,804	36 (1) (b), 37, 472 (4)	N/A
9	Empty set in the EU	0	-	N/A
10	Deferred tax assets that rely on future profitability excluding those arising from temporary difference (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-77,044	36 (1) (c), 38, 472 (5)	N/A
11	Fair value reserves related to gains or losses on cash flow hedges	0	33 (a)	N/A
12	Negative amounts resulting from the calculation of expected loss amounts	0	36 (1) (d), 40, 159, 472 (6)	N/A
13	Any increase in equity that results from securitised assets (negative amount)	0	32 (1)	N/A
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0	33 (1) (b) (c)	N/A
15	Defined-benefit pension fund assets (negative amount)	0	36 (1) (e), 41, 472 (7)	0
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	0	36 (1) (f), 42, 472 (8)	N/A
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	36 (1) (g), 44, 472 (9)	N/A
18	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)	N/A
19	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11)	N/A
20	Empty set in the EU	0	-	N/A
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	0	36 (1) (k)	N/A

20b	of which: qualifying holdings outside the financial sector (negative amount)	0	36 (1) (k) (i), 89 to 91	N/A
20c	of which: securitisation positions (negative amount)	0	36 (1) (k) (ii) ,243 (1) (b), 244 (1) (b), 258	N/A
20d	of which: free deliveries (negative amount)	0	36 (1) (k) (iii), 379 (3)	N/A
21	Deferred tax assets arising from temporary difference (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	0	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	N/A
22	Amount exceeding the 15% threshold (negative amount)	0	48 (1)	N/A
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	0	36 (1) (i), 48 (1) (b), 470, 472 (11)	N/A
24	Empty set in the EU	0	-	N/A
25	of which: deferred tax assets arising from temporary difference	0	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	N/A
25a	Losses for the current financial year (negative amount)	0	36 (1) (a), 472 (3)	N/A
25b	Foreseeable tax charges relating to CET1 items (negative amount)	0	36 (1) (l)	N/A
27	Qualifying AT1 deductions that exceeds the AT1 capital of the institution (negative amount)	0	36 (1) (j)	N/A
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	-1,634,797	-	N/A
29	**Common Equity Tier 1 (CET1) capital**	1,907,877	-	N/A
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts	0	51, 52	N/A

31	of which: classified as equity under applicable accounting standards	334,802	-	N/A
32	of which: classified as liabilities under applicable accounting standards	0	-	N/A
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	0	486 (3)	N/A
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interest not included in row 5) issued by subsidiaries and held by third parties	0	85, 86, 480	N/A
35	of which: instruments issued by subsidiaries subject to phase-out	0	486 (3)	N/A
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	334,802	-	N/A

Additional Tier 1 (AT1) capital: regulatory adjustments

37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	0	52 (1) (b), 56 (a), 57, 475 (2)	N/A
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	56 (b), 58, 475 (3)	N/A
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	56 (c), 59, 60, 79, 475 (4)	N/A
40	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	56 (d), 59, 79, 475 (4)	N/A
41	Regulatory adjustments applied to Additional Tier 1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No 585/2013 (ie. CRR residual amounts)	0	-	N/A
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	0	472, 473(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)	N/A
	Of which items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses, etc.	0	-	N/A
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	0	477, 477 (3), 477 (4) (a)	N/A

	Of which items to be detailed line by line, e.g. Reciprocal cross holdings in Tier 2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.	0	-	N/A
41c	Amounts to be deducted from added to Additional Tier 1 capital with regard to additional filters and deductions required pre- CRR	0	467, 468, 481	N/A
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	0	56 (e)	N/A
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	0	-	N/A
44	**Additional Tier 1 (AT1) capital**	334,802	-	N/A
45	**Tier 1 capital (T1 = CET1 + AT1)**	2,242,680	-	N/A

Tier 2 (T2) capital: instruments and provisions

46	Capital instruments and the related share premium accounts	430,609	62, 63	N/A
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	0	486 (4)	N/A
	Public sector capital injections grandfathered until 1 january 2018	0	483 (4)	N/A
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interest and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third party	0	87, 88, 480	N/A
49	of which: instruments issued by subsidiaries subject to phase-out	0	486 (4)	N/A
50	Credit risk adjustments	0	62 (c) & (d)	N/A
51	**Tier 2 (T2) capital before regulatory adjustment**	430,609	-	N/A

Tier 2 (T2) capital: regulatory adjustments

52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	0	63 (b) (i), 66 (a), 67, 477 (2)	N/A
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institutions designed to inflate artificially the own funds of the institution (negative amount)	0	66 (b), 68, 477 (3)	N/A
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)	0	66 (c), 69, 70, 79, 477 (4)	N/A
54a	Of which new holdings not subject to transitional arrangements	0	-	N/A
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements	0	-	N/A
55	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amounts)	0	66 (d), 69, 79, 477 (4)	N/A
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	0	-	N/A
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	0	472, 472(3)(a), 472 (4), 472 (6), 472 (8), 472 (9), 472 (10) (a), 472 (11) (a)	N/A
	of which: instruments issued by subsidiaries subject to phase-out	0		N/A
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	0	475, 475 (2) (a), 475 (3), 475 (4) (a)	N/A
	Of which items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses, etc.	0	-	N/A
56c	Amounts to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre-CRR	0	467, 468, 481	N/A
57	**Total regulatory adjustments to Tier 2 (T2) capital**	0	-	N/A
58	**Tier 2 (T2) capital**	430,609	-	N/A
59	**Total capital (TC = T1 + T2)**	2,673,289	-	N/A

59a	Risk Exposure Amounts in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amount)	N/A	-	N/A
	Of which:… items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc)	192,291	472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)	N/A
	Of which:…items not deducted from AT1 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.)	0	475, 475 (2) (b), 475 (2) ©, 475 (4) (b)	N/A
	Items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc)	0	477, 477 (2) (b), 477 (2) (c), 477 (4) (b)	N/A
60	**Total Risk Exposure Amounts**	10,022,484	-	N/A
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of total Risk Exposure Amount)	19.04%	92 (2) (a), 465	N/A
62	Tier 1 (as a percentage of total Risk Exposure Amount)	20.38%	92 (2) (b), 465	N/A
63	Total capital (as a percentage of total Risk Exposure Amount)	26.67%	92 (2) (c)	N/A
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements plus a systemic risk buffer, plus systemically important institution buffer expressed as a percentage of total Risk Exposure Amount)	132	CRD 128, 129, 140	N/A
65	of which: capital conservation buffer requirement	not yet implemented	-	N/A
66	of which: countercyclical buffer requirement	132	-	N/A

67	of which: systemic risk buffer requirement	N/A	-	N/A
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	N/A	CRD 131	N/A
68	Common Equity Tier 1 available to meet buffers (as a percentage of Risk Exposure Amount)	not yet implemented	CRD 128	N/A
69	[non-relevant in EU regulation]	N/A	-	N/A
70	[non-relevant in EU regulation]	N/A	-	N/A
71	[non-relevant in EU regulation]	N/A	-	N/A
Amounts below the thresholds for deduction (before risk-weighting)				
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	11,880	36 (1) (h), 45, 46, 472 (10) 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477 (4)	N/A
73	Direct and indirect holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	0	36 (1) (i), 45, 48, 470, 472 (11)	N/A
74	Empty set in the EU	N/A	-	N/A
75	Deferred tax assets arising from temporary difference (amount below 10 % threshold, net of related tax liability where the conditions in Article 38 (3) are met)	65,037	36 (1) (c), 38, 48, 470, 472 (5)	N/A
Applicable caps on the inclusion of provisions in Tier 2				
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	0	62	N/A
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	0	62	N/A
78	Credit risk adjustments included in T2 in respect of exposures subject to internal rating-based approach (prior to the application of the cap)	0	62	N/A

79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	0	62	N/A

Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)

80	- Current cap on CET1 instruments subject to phase-out arrangements	0	484 (3), 486 (2) & (5)	N/A
81	- Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0	484 (3), 486 (2) & (5)	N/A
82	- Current cap on AT1 instruments subject to phase-out arrangements	0	484 (4), 486 (3) & (5)	N/A
83	- Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	0	484 (4), 486 (3) & (5)	N/A
84	- Current cap on T2 instruments subject to phase-out arrangements	234,998	484 (5), 486 (4) & (5)	N/A
85	- Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0	484 (5), 486 (4) & (5)	N/A

15 Annex B: Additional Asset Encumbrance disclosure requirements

This Annex B includes additional **Asset Encumbrance disclosures requirements**, according to Guidelines on disclosure of encumbered and unencumbered assets issued by EBA in 2015 for the Bank and the Group.

Saxo Bank has chosen to use median values from the last four quarterly reporting days for the disclosure of Asset Encumbrance end December 2015.

Saxo Bank A/S

Table 27: Template A - Assets (31/12/2015)

DKK 1,000		Carrying amount of encumbered assets (010)	Fair value of encumbered assets (040)	Carrying amount of unencumbered assets (060)	Fair value of unencumbered assets (090)
010	**Assets of the reporting institution**	**4,770,900**		**26,881,136**	
030	Equity instruments	-	-	6,001	6,001
040	Debt securities	4,452,119	4,452,119	11,885,396	10,885,396
120	Other assets	0		11,694,672	

Table 28: Template B: Collateral received (31/12/2015)

DKK 1,000		Fair value of encumbered collateral received or own debt securities issued (010)	Fair value of collateral received or own debt securities issued available for encumbrance (040)
130	**Collateral received by the reporting institution**	**-**	**-**
150	Equity instruments	-	-
160	Debt securities	-	-
230	Other collateral received	-	-
240	**Own debt securities issued other than own covered bonds or ABSs**	**-**	**-**

Table 29: Template C - Encumbered assets/collateral received and associated liabilities

DKK 1,000		Matching liabilities, contingent liabilities or securities lent (010)	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered (030)
010	**Carrying amount of selected financial liabilities**	**-**	**4,770,900**

Template D – Information on importance of encumbrance

The Bank asset encumbrance comes from collateral posted at financial business partners in connection with derivatives trading and consists mostly of Government Bonds.

The Bank's development in asset encumbrance follows the activities in the market and depends on the level of derivatives trading from customers and the banks following hedge hereof with financial business partners. Assets which are being placed at facilities that are not used and can be freely withdrawn is not included in encumbered assets.

End of December 2015 15.6% of the total balance sheet amount is encumbered. Debt securities on DKK 12,8 billion (government bonds and Danish Mortgage Bonds) and additional DKK 1.1 billion demand deposit in the Danish Central Bank are all assets with can be pledged on normal markets terms. This amounts to 49.7% of the total balance sheet.

Saxo Bank Group

Table 30: Template A - Assets

DKK 1,000		Carrying amount of encumbered assets (010)	Fair value of encumbered assets (040)	Carrying amount of unencumbered assets (060)	Fair value of unencumbered assets (090)
010	**Assets of the reporting institution**	**5,250,496**		**23,398,539**	
030	Equity instruments	-	-	41,376	41,376
040	Debt securities	4,452,119	4,452,119	13,134,604	13,134,604
120	Other assets	468,614		10,204,544	

Table 31: Template B - Collateral received

DKK 1,000		Fair value of encumbered collateral received or own debt securities issued (010)	Fair value of collateral received or own debt securities issued available for encumbrance (040)
130	**Collateral received by the reporting institution**	**-**	**-**
150	Equity instruments	-	-
160	Debt securities	-	-
230	Other collateral received	-	-
240	**Own debt securities issued other than own covered bonds or ABSs**	**-**	**-**

Table 32: Template C - Encumbered assets/collateral received and associated liabilities

DKK 1,000		Matching liabilities, contingent liabilities or securities lent (010)	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered (030)
010	**Carrying amount of selected financial liabilities**	**-**	**5,250,496**

Template D – Information on importance of encumbrance

The Group´s level of asset encumbrance consists of asset encumbrance from Saxo Bank (disclosed above), encumbered assets in the subsidiary which owns the Bank's headquarter (partly pledge of the Bank's headquarter) and a very small amount of asset encumbrance from the subsidiary Saxo Privatbank A/S.

Part of the difference between the unencumbered debt securities on the Group level (15.1 billion) and the Bank level (12.8 billion) are not free to pledge on Bank level due to local regulatory requirements in the subsidiaries holding these debt securities.

16 Annex C: Leverage Ratio disclosure

Reference date	**31/12/2015**
Entity name	**Saxo Bank Group**
Level of application	**Fully phased-in definition**

Summary reconciliation of accounting assets and leverage ratio exposures

		Applicable Amounts
1	Total assets as per published financial statements	33,501,563,309
2	regulatory consolidation	0
3	framework but excluded from the leverage ratio exposure measure according to Article 429(11) of	0
4	Adjustments for derivative financial instruments	1,059,522,049
5	Adjustments for securities financing transactions (SFTs)	0
6	exposures)	-1,350,975,988
EU-6a	accordance with Article 429(7) of Regulation (EU) No 575/2013)	0
EU-6b	Article 429(14) of Regulation (EU) No 575/2013)	0
7	Other adjustments	-904,012,680
8	**Leverage ratio total exposure measure**	**32,306,096,690**

Leverage ratio common disclosure

	On-balance sheet exposures (excluding derivatives and SFTs)	CRR leverage ratio exposures
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	26,510,756,221
2	Asset amounts deducted in determining Tier 1 capital	-1,619,365,168
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**24,891,391,053**
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	3,732,646,655
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	2,557,305,255
EU-5a	Exposure determined under Original Exposure Method	0
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	0
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0
8	(Exempted CCP leg of client-cleared trade exposures)	0
9	Adjusted effective notional amount of written credit derivatives	0
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
11	**Total derivative exposures (sum of lines 4 to 10)**	**6,289,951,910**
	Securities financing transaction (SFT) exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	0
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0
14	Counterparty credit risk exposure for SFT assets	0
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429b(4) and 222 of Regulation (EU) No 575/2013	0
15	Agent transaction exposures	0
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	0
16	**Total securities financing transaction exposures (sum of lines 12 to 15a)**	0
	Other off-balance sheet exposures	
17	Off-balance sheet exposures at gross notional amount	2,475,729,715
18	(Adjustments for conversion to credit equivalent amounts)	-1,350,975,988
19	**Total off-balance sheet exposures (sum of lines 17 to 18)**	**1,124,753,728**
	Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)	
EU-19a	(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	0
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	0
	Capital and Total Exposures	
20	**Tier 1 capital**	**2,258,141,331**
21	**Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)**	**32,306,096,690**
	Leverage Ratios	
22	**End of quarter leverage ratio**	**6.99%**
	Choice on transitional arrangements and amount of derecognised fiduciary items	
EU - 23	Choice on transitional arrangements for the definition of the capital measure	Fully phased-in
EU - 24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO. 575/2013	0

Split-up of on balance sheet exposures (excluding derivatives and SFTs)

		CRR leverage ratio exposures
EU 1	Total on-balance sheet exposures (excluding derivatives and SFTs), of which:	26,510,756,221
EU 2	Trading book exposures	19,133,450,555
EU 3	Banking book exposures, of which:	7,377,305,665
EU 4	Covered bonds	0
EU 5	Exposures treated as sovereigns	2,819,223,278
EU 6	Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	0
EU 7	Institutions	1,735,869,427
EU 8	Secured by mortgages of immovable properties	131,321,891
EU 9	Retail exposures	994,767,039
EU 10	Corporate	716,616,887
EU 11	Exposures in default	41,711,977
EU 12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	937,795,166

17 Annex D: Additional LCR disclosure

LCR common disclosure template			
		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		16,603,558,088
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	5,729,344,237	684,354,666
3	Stable deposits	1,837,757,500	91,887,875
4	Less stable deposits	3,891,586,737	592,466,791
5	Unsecured wholesale funding, of which:	350,585,331	118,248,041
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7	Non-operational deposits (all counterparties)	350,585,331	118,248,041
8	Unsecured debt		
9	Secured wholesale funding		
10	Additional requirements, of which:	18,039,053,201	17,211,271,659
11	Outflows related to derivative exposures and other collateral requirements	14,865,686,473	14,865,686,473
12	Outflows related to loss of funding on debt products		
13	Credit and liquidity facilities	889,243,722	61,462,180
14	Other contractual funding obligations	2,284,123,006	2,284,123,006
15	Other contingent funding obligations		
16	**TOTAL CASH OUTFLOWS**	24,118,982,769	18,013,874,366
CASH INFLOWS			
17	Secured lending (eg reverse repos)		
18	Inflows from fully performing exposures		
19	Other cash inflows	2,391,762,246	2,391,762,246
20	**TOTAL CASH INFLOWS**	2,391,762,246	2,391,762,246
21	**TOTAL HQLA**		16,342,572,761
22	**TOTAL NET CASH OUTFLOWS**		15,622,112,120
23	**LIQUIDITY COVERAGE RATIO (%)**		105%

18 Annex E: Countercyclical Buffer Disclosure

Saxo Bank Group – 31.12.2015

Table 33 - Disclosure of information relevant for the calculation of the countercyclical buffer

Row	Breakdown by country	Exp. Value of credit exposures	Sum of net long and short positions of trading book exposures	Exposure value of securitisation exposures	Own funds requirement: of which: Credit exposures	Own funds requirement: of which: Trading book exposures	Own funds requirement: of which: Securitisation exposures	Own funds requirement: Total	Own funds requirements weights	Countercyclical buffer rate
010		010	020	030	040	050	060	070	080	090
	Norway	5,576,203	164,127	0	4,945,522	164,127	0	5,109,649	0.0013	1%
	Sweden	3,336,116	88,195	0	2,594,940	88,195	0	2,683,135	0.0007	1%
020	Total	8,912,319	252,322	0	7,540,462	252,322	0	7,792,784		

Only exposures relevant to the countercyclical buffer are included in the above.

Table 34 - Amount of institution specific countercyclical capital buffer

Row		Column 010
010	Total Risk Exposure Amount	12,975,477,849
020	Institution specific countercyclical buffer rate	0.000020
030	Institution specific countercyclical buffer requirement	258,798

Saxo Bank A/S – 31.12.2015

Table 35 - Disclosure of information relevant for the calculation of the countercyclical buffer

Row	Breakdown by country	Exp. Value of credit exposures	Sum of net long and short positions of trading book exposures	Exposure value of securitisation exposures	Own funds requirement: of which: Credit exposures	Own funds requirement: of which: Trading book exposures	Own funds requirement: of which: Securitisation exposures	Own funds requirement: Total	Own funds requirements weights	Countercyclical buffer rate
010		010	020	030	040	050	060	070	080	090
	Norway	4,279,359	164,128	0	317,905	13,130	0	331,035	0.0012	1%
	Sweden	494,655	88,195	0	38,248	7,056	0	45,304	0.0002	1%
020	Total	4,774,014	252,323	0	356,153	20,186	0	376,339		

Only exposures relevant to the countercyclical buffer are included in the above.

Table 36 - Amount of institution specific countercyclical capital buffer

Row		Column 010
010	Total Risk Exposure Amount	10,022,484,121
020	Institution specific countercyclical buffer rate	0.000013
030	Institution specific countercyclical buffer requirement	131,938