



# DENMARK

## FINANCIAL SECTOR ASSESSMENT PROGRAM

### TECHNICAL NOTE—SYSTEMIC RISK OVERSIGHT AND MACROPRUDENTIAL POLICY FRAMEWORK

August 2020

This Technical Note on Systemic Risk Oversight and Macroprudential Policy Framework for the Denmark FSAP was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on the information available at the time it was completed in July 2020.

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## TECHNICAL NOTE

SYSTEMIC RISK OVERSIGHT AND MACROPRUDENTIAL  
POLICY FRAMEWORK

Prepared By  
**Monetary and Capital Markets  
Department**

This Technical Note was prepared by IMF staff in the context of the Financial Sector Assessment Program in Denmark. It contains technical analysis and detailed information underpinning the FSAP's findings and recommendations. Further information on the FSAP can be found at <http://www.imf.org/external/np/fsap/fssa.aspx>

# CONTENTS

Glossary	4
<b>EXECUTIVE SUMMARY</b>	<b>6</b>
<b>INTRODUCTION</b>	<b>9</b>
<b>INSTITUTIONAL FRAMEWORK</b>	<b>9</b>
A. Principle I – Willingness to Act	12
B. Principle II – Ability to Act	14
C. Principle III – Effective Cooperation and Coordination	18
D. Recommendations	19
<b>SYSTEMIC RISK MONITORING</b>	<b>20</b>
<b>SYSTEMIC RISKS AND MACROPRUDENTIAL TOOLS</b>	<b>24</b>
A. Broad-based Vulnerabilities: Assessment, Tools, and Recommendations	24
B. Household Vulnerabilities: Assessment, Tools and Recommendations	26
C. Corporate and CRE Vulnerabilities: Assessment, Tools, and Recommendations	35
D. Funding and Liquidity Vulnerabilities: Assessment, Tools, and Recommendations	40
E. Structural Vulnerabilities: Assessment, Tools, and Recommendations	42
<b>BOX</b>	
1. International Comparison of Debt Limits and the Use of Speed Limits	33
<b>FIGURES</b>	
1. Institutional Arrangement for Macroprudential Policy	11
2. Activation of Countercyclical Capital Buffer	13
3. Inaction Bias: The Case of Housing Sector Tools	16
4. CCyB: Categories and Related Key Indicators	21
5. Heat Map: Systemic Risks in the Housing Market	22
6. Broad Macro-Financial Developments	25
7. Household Sector Vulnerabilities	28
8. Household Indebtedness and Debt-Bias	29
9. Supervisory Diamond for Mortgage Credit Institutions	31
10. Housing Finance-Related Vulnerabilities	32
11. Non-financial Corporations Vulnerabilities	36
12. Commercial Real Estate	38
13. Commercial Real Estate – Adverse Scenario	39
14. Funding and Liquidity Vulnerabilities	41

15. Interconnectedness and Structural Vulnerabilities .....	<a href="#">43</a>
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## **TABLES**

1. Key Recommendations on Macroprudential Policy .....	<a href="#">8</a>
2. Macroprudential Institutional Framework .....	<a href="#">10</a>
3. Framework for Observation, Warning and Recommendation .....	<a href="#">15</a>
4. Observations, Warnings and Recommendations Issued by the SRC .....	<a href="#">17</a>
5. Systemically Important Institutions .....	<a href="#">44</a>

## **APPENDICES**

I. Growth at Risk .....	<a href="#">45</a>
II. House Price at Risk .....	<a href="#">48</a>

## Glossary

ATG	Advisory Technical Group
AWG	Analysis Working Group
BIS	Bank for International Settlements
CCB	Capital Conservation Buffer
CCR	Central Credit Registry
CCyB	Counter Cyclical Capital Buffer
CET1	Common Equity Tier 1 Capital Ratio
CRD IV	Capital Requirement Directive IV
CRE	Commercial Real Estate
CRR	Capital Requirement Regulations
DN	Danmark Nationalbank
DFSA	Danish Financial Stability Authority (Finanstilsynet)
DTI	Debt-to-Income Ratio
DSTI	Debt Service to Income Ratio
EBA	European Bank Authority
ECB	European Central Bank
EEA	European Economic Area
ESRB	European Systemic Risk Board
EU	European Union
FSAP	Financial Sector Assessment Program
FSB	Financial Stability Board
GDP	Gross Domestic Product
GFC	Global Financial Crisis
GFSR	IMF Global Financial Stability Report
HQLA	High-Quality Liquid Assets
IMF	International Monetary Fund
IRB	Internal Ratings-Based
IWG	Instrument Working Group
LCR	Liquidity Coverage Ratio
LTI	Loan to Income
LTV	Loan-to-Value Ratio
MCI	Mortgage Credit Institution
MoEAI	Ministry of Economic Affairs and the Interior
MoF	Ministry of Finance
MoU	Memorandum of Understanding
MIBFA	Ministry of Business, Industry and Financial Affairs
NBMF	Nordic Baltic Macroprudential Forum
NFC	Non-Financial Corporates
NPL	Non-Performing Loan
NSFR	Net Stable Funding Ratio
O-SII	Other Systematically Important Institutions

PD	Probability of Default
SIFI	Systemically Important Financial Institutions
SRB	Systemic Risk Buffer
SRC	Systemic Risk Council