Denmark (DNK)

SDDS - DQAF View

Category: Liquid assets to short-term liabilities

H.Header data

H.0.7 Data category notes
[Data category notes]

> Financial Soundness Indicator:
> Liquid to short-term liabilities

0. Prerequisites

0.1 Legal environment

0.1.1 Responsibility for collecting, processing, and disseminating statistics
[Laws and administrative arrangements specifying the responsibility for collecting, processing, and disseminating statistics]

> The National Bank of Denmark Act No. 116 of 7th April 1936 as amended by Act No. 166 of 13th April 1938, Act No. 88 of 15th March 1939, Act No. 67 of 15th March 1967, Act No. 174 of 30th April 1969 and Act No. 579 of 1st June 2010. No consolidated act has been made by the Ministry of Economic Affairs, and information below is from an unofficial compilation prepared by Danmarks Nationalbank. Danmarks Nationalbank provides general guidelines regarding the central bank's role in data production.
>
> Article 17 regulates the production of the annual balance sheets of the central bank, Article 20 provides for access to monetary institutions data, while Article 15 states that further provisions governing the general functions of Danmarks Nationalbank shall be laid down in the By-laws of Danmarks Nationalbank.
>
> Data on monetary financial institutions (MFIs) are disseminated by Danmarks Nationalbank as a service to the public.
> The collected information may be used for other purposes than compilation of statistics. This particularly applies in connection with oversight of financial stability and when laying down monetary and foreign-exchange policies, as well as in relation to Danmarks Nationalbank's participation in the European cooperation in the financial area.

0.1.2 Data sharing and coordination among data producing agencies
[Data sharing and coordination among data producing agencies are adequate.]

The FSI Liquid to short-term liabilities is derived from the statistics on monetary financial institutions. The compilation of the consolidated balance sheet of the MFI-sector is organized and coordinated by Danmarks Nationalbank (the Danish central bank).

Balance sheets statistics and interest rates statistics of the banking and mortgage sector are disseminated by Danmarks Nationalbank as a service to the public.

0.1.3 Confidentiality of individual reporters' data
[Measures ensuring individual reporters' data are kept confidential and used for statistical purposes only.]

No government office or other organization has the right to receive data concerning an individual MFI that is not otherwise published by the MFI itself.

Danmarks Nationalbank publishes the statistics based on the following confidentiality criteria:
For any observation there must be at least three institutes represented and that one institute can at the maximum account for 90 pct. of one single observation.

Also, Danmarks Nationalbank is allowed to pass on confidential statistical information to the extent and with the amount of detail that is deemed necessary in order to fulfill its tasks in relation to ESRB and ESCB.

0.1.4 Ensuring statistical reporting
[Legal mandates and/or measures to require or encourage statistical reporting.]

Danmarks Nationalbank collects, processes and publishes statistical data within its jurisdiction pursuant to § 14 a* of The National Bank of Denmark, inserted by Act no 579 of June 1st 2010:

The Bank collects, compiles and disseminates statistical information within its competence and is allowed to use this information when necessary in order for the Bank's fulfilment of its tasks, cf. § 1.
 (2) The Bank can request that the following legal persons and individuals pass on information they possess to the Bank within a certain period, if it is necessary for the Bank to receive the information for the fulfilment of its tasks mentioned in subsection 1:
a) Legal persons and individuals domiciled in Denmark who conduct financial business subject to the Financial Business Act or other financial legislation.
b) Legal persons and individuals domiciled in Denmark who have outstanding debts and/or assets abroad.
c) Legal persons and individuals domiciled in Denmark who have either issued or own securities, or carry out trading or clearing and settlement of financial products.
d) Branches etc. situated in Denmark that are not legal persons or individuals, but apart from that fall within the definitions in paragraphs a-c.

(3) The persons mentioned in subsection 2 will be fined if they fail to pass on the information requested by the Bank in due time, or if they intentionally or with gross negligence pass on false information. Companies etc. (legal persons) can be held criminally liable according to part 5 of the Danish Criminal Code.

(4) The Bank is allowed to pass on confidential statistical information to the extent and with the amount of detail that is deemed necessary in order to fulfil its tasks in relation to: a) The European System of Central banks (ESCB), b) Both the European Systemic Risk Board (ESRB) and the Danish Systemic Risk Council * The provision takes effect as from 1 July 2010 and will not be applicable to the Faroe Islands or Greenland for the time being.

(5) Information that can be passed on according to subsection 4 consists of information which is not in summary or collective form and which makes it possible either directly or indirectly to identify the persons mentioned in subsection 4.

To ease the reporting burden, Danmarks Nationalbank provides:
1) Statistical staff to assist reporters in completing and submitting reports, checking the reported as well as dealing with questions and complaints from reporting agents.

2) Reporting guidelines in both Danish and English are easy accessible on Danmarks Nationalbank's webpage.

3) Reporting agents are offered flexible online reporting via a specially designed reporting tool that also allows the reporting agent to view validation checks and correct errors online.

4) Individualized outputs to the reporting agents.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing

[Staff, facilities, computing resources, and financing for statistical programs currently available as well as what would be required for programmed statistical outputs.]

Statistics department employ approximately 40 full-time personnel split into a division for Money, Banking and National Account statistics and a division for Securities and Balance of Payments statistics. Both divisions collect, process and disseminate data with support from the IT division.

Resources and funds are aligned with tasks and projects on an annual basis but can be re-evaluated during the year if needed.

IT hardware and software are available to all employees to a relevant extent and enable collection, processing, analyzing and dissemination of statistical data.

FSI: Liquid assets to short-term liabilities
Two employees in Danmarks Nationalbank are responsible for the compilation and dissemination of FSI data from i.a. the Danish FSA on a quarterly basis.

0.2.2 Ensuring efficient use of resources

[Measures implemented to ensure efficient use of resources.]

Regular processes are in place on both manager and staff level to ensure that resources are deployed most efficiently. Also one full-time position is assigned to make sure that all processes involved in the statistical work are as efficient and standardized as possible.

As a tool to ensure most efficient use of resources, standard procedures are developed and documented, so frequent tasks are well described and easy to conduct. This also facilitates members of the staff to cover fields of work outside their primary field. Statistics department aims at covering all working areas with detailed knowledge from more members of the staff to avoid inefficient periods due to absence.

Danmarks Nationalbank seeks a continuous development of members of the statistical staff. The development is supported by regular individual meetings where actual achievements are assessed against previously formulated objectives. On this basis a plan for the future development and tools/arrangements to achieve the objectives is made.

0.3 Relevance

0.3.1 Monitoring user requirements
[How the relevance and practical utility of existing statistics in meeting users' needs are monitored.]

Danmarks Nationalbank has frequently contact with external as well as internal users of the statistics and hereby obtains knowledge of user satisfaction and requirements.

Other channels of monitoring user relevance:
- User statistics on the web portal Statbank
- Use of our statistical subscription service
- Media Coverage

Danmarks Nationalbank participates in a variety of statistical meetings and seminars organized by international organizations (ECB, BIS, IMF etc.). New and emerging data requirements are identified and discussed.

Danmarks Nationalbank is also receptive to remarks and requests from the users of its statistics.

0.4 Quality management
0.4.1 Quality policy
[Processes in place to focus on quality.]

Danmarks Nationalbank attaches great importance to the quality of its statistics. The statistics follow international standards and best practices from the ECB, Eurostat and the IMF. This means that developments in Denmark are comparable with developments in other countries.

Collaboration with e.g. Statistics Denmark (DSt) assures focus on quality and methodology across statistical institutions.

Danmarks Nationalbank promotes more careful checking by reporters before submitting by:
1) enabling reporting agents to do self-checking by running a validation of the report
2) providing a useful individualized output

0.4.2 Quality monitoring
[Processes in place to monitor the quality of the statistical program.

1. Integrity

1.1 Professionalism
1.1.1 Impartiality of statistics
[Measures to promote impartiality in production of statistics.]

Danmarks Nationalbank has a long tradition as an independent self-governing institution.

1.1.2 Selection of sources, methodology, and modes of dissemination
[Selection of sources, methodology, and modes of dissemination.]

1.1.3 Commenting on erroneous interpretation and misuse of statistics
[Entitlement to, opportunity for, and historical frequency of, comment on erroneous interpretation and misuse of statistics by the appropriate statistical entity.]

1.2 Transparency

1.2.1 Disclosure of terms and conditions for statistical collection, processing, and dissemination
[Disclosure of terms and conditions for statistical collection, processing, and dissemination.]

The National Bank of Denmark Act can be obtained here:
http://www.nationalbanken.dk/en/about_danmarks_nationalbank/Legal_basis/Documents/The%20National%20bank%20of%20Denmark%20Act.pdf

1.2.2 Internal governmental access to statistics prior to release
[Disclosure of Internal governmental access to statistics prior to their release.]

Only Danmarks Nationalbank has access to the data before publication.

1.2.3 Attribution of statistical products
[Identification of statistical agencies/units producing disseminated statistics.]

Data is free for use if the source is mentioned.

1.2.4 Advance notice of major changes in methodology, source data, and statistical techniques.

[Advance notice of major changes in methodology, source data, and statistical techniques.]

In the event of a significant revision the public will be informed in the publication series: "Nyt: Balance- og stroemstatistik for MFI-sektoren" (Statistics on the balance sheets and flows of the MFI-sector) as soon as possible.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior

[Measures implementing and enforcing guidelines for staff behavior.]

2. Methodology

2.1 Concepts and definitions

2.1.1 Concepts and definitions

[Degree to which the overall structure of concepts and definitions follows internationally accepted standards, guidelines, or good practices.]

The FSI is compiled according to the IMF Compilation Guide on Financial Soundness Indicators (IMF, 2006).

From guide:
"This FSI is intended to capture the liquidity mismatch of assets and liabilities, and provides an indication of the extent to which deposit takers could meet a short term withdrawal of funds without facing liquidity problems."

Liquid assets are defined as total MFIs' cash, MFIs' holdings of securities issued by the government and securities issued by Danish MFIs including certificates of deposits and loans to the Central Bank.

Short-term liabilities are defined as debt securities with short maturity, short-term deposits from other MFIs and net derivatives.

The conceptual framework for the FSI "Liquid assets to short-term liabilities" is the consolidated balance sheet of the MFI sector. The figures are end of month figures.

2.2 Scope

2.2.1 Scope

2.2.1.1 Scope of the data

[Scope of the data.]

The data is collected from all MFIs, i.e. banks, mortgage banks, other credit institutions, money market funds and Danmarks Nationalbank, including foreign-owned MFIs and Danish MFIs' branches and subsidiaries abroad.

The collection and compilation of balance-sheet and flow statistics for MFIs – also called MFI statistics – are based on international standards determined primarily by the European Central Bank (ECB). The MFI statistics also incorporate a number of national requirements.

Balance-sheet and flow statistics are compiled from MFIs in Denmark – i.e. banks and mortgage-credit institutes, other credit institutions that are not banks or mortgage-credit institutes, money-market funds and Danmarks Nationalbank. The reporting population comprises Danish MFI's main activity in Denmark, as well as the branches in Denmark of foreign MFIs. All institutions are licensed by the Danish Financial Supervisory Authority.

Balance-sheet statistics are also compiled from the foreign units of Danish MFIs.

2.2.1.2 Exceptions to coverage
[Exceptions to coverage.]

2.2.1.3 Unrecorded activity
[Unrecorded activity.]

2.3 Classification/sectorization
2.3.1 Classification/sectorization
[Broad consistency of classification/sectorization systems used with internationally accepted standards, guidelines, or good practices.]

- Classification: Domestic and external accounts are distinguished on the basis of residency and the definition is consistent with the European System of Accounts (ESA2010) and IMF's Balance of Payments Manual, Fifth Edition.

2.4 Basis for recording
2.4.1 Valuation
[Types of prices (market, historical, administrative, basic, purchasers', producer, etc.) used to value flows and stocks.]

The valuation of balance-sheet items excluding deposits and lending is at market value. If a market value cannot be set objectively a best estimate of market value is applied. Deposits and lending are compiled at nominal value in the balance sheet, although index-linked lending stated is stated at the index-linked nominal value.

2.4.2 Recording basis
[Degree to which recording meets requirements for accrual accounting.]

2.4.3 Grossing/netting procedures
[Broad consistency of grossing/netting procedures with internationally accepted standards, guidelines, or good practices.]

All items are gross amounts in the balance sheet. Lending includes provisions as of the balance-sheet date. Balance-sheet items in foreign currency are stated at the exchange rates listed by Danmarks Nationalbank end-of-month.

3. Accuracy and reliability

3.1 Source data
3.1.1 Source data collection programs
[Comprehensiveness of source data from administrative and survey data collection programs, and appropriateness of the collection modality for country-specific conditions.]

Overall Accuracy:
The statistics are based on information collected from all Danish MFIs (around 120) of which about 40 are full reporting institutions. Apart from data for December, after annual revisions in April, data from the smallest MFIs are grossed up. This group accounts for 4 pct. of the MFIS' total balance. Danmarks Nationalbank is responsible for contacting any newly established MFI on the basis of information from the Danish Financial Supervisory Authority. The accuracy of the statistics is dependent on the accuracy of the reports delivered by the institutions, and especially the quality of the reports delivered by the largest institutions is crucial. With a contribution margin of 100 pct. for December, after annual revisions in April, and more than 96 pct. in the remaining months, the overall accuracy of the statistics is considered to be high.

Sources of Inaccuracy:
Danmarks Nationalbank sets out guidelines for the MFIs' reporting to the statistics, but there is a risk that the guidance is interpreted differently by the institutions and therefore may lead to non-consistent reporting. However, a large number of quality checks are performed on the individual reports as well as across all reports, in order to minimize errors made by the individual reporter and differences in interpretation among MFIs. During the control and publishing phases, several manual

procedures are conducted which involve risks of errors.

Measures of Accuracy:
The statistical uncertainty is not calculated.

Data sources:
Data sources concerning the central bank, data from Danmarks Nationalbank, are collected from its own records.
Data sources for other MFIs. Here the basic data source for MFIs are compiled on the basis of their monthly reports to Danmarks Nationalbank. Data have to be submitted to the central bank no later than eight business days after the end of the month. A uniform chart of accounts is used by all MFIs.

3.1.2 Source data definitions, scope, classifications, valuation, and time of recording
[Degree to which source data approximate the definitions, scope, classifications, valuation, and time of recording required (as described in 2.1.1-2.4.3).]

3.1.3 Source data timeliness
[Source data timeliness relative to what is required for producing statistical outputs whose timeliness meets applicable data standard (SDDS requirements or GDDS recommendations).]
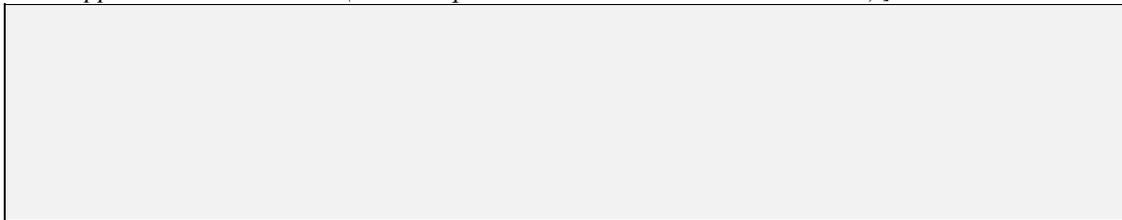
3.2 Assessment of source data
3.2.1 Source data assessment
[Routine assessment of source data—including censuses, sample surveys, and administrative records (e.g., for coverage, sample error, response error, and nonsampling error); whether assessment results are monitored; how results are used to guide statistical processes.]

3.3 Statistical techniques
3.3.1 Source data statistical techniques
[Statistical techniques in data compilation to deal with data sources (e.g., to align them with target concepts from 2.1.1).]

The reporting population is divided into two groups: "Full reporting institutions" and "tail institutions". The largest MFIs, representing at least 95 pct. of the total balance sheet in the MFI sector, are reported in full. The tail institutions report reduced balance-sheet annually. The statistics are grossed up so that the MFI statistics cover the entire reporting population.

3.3.2 Other statistical procedures
[Statistical techniques employed in other statistical procedures (e.g., data adjustments and transformations, and statistical analysis).]

3.4 Data validation
3.4.1 Validation of intermediate results
[Assessment and investigation of statistical discrepancies in intermediate data.]

Data verification: Data are subject to "logical checks" (e.g. linear constraints), which are carried out automatically, and cross-checks with other sources where possible. In addition, data are both at disaggregated and at an aggregated level subject to internal review and analytical controls.

3.4.2 Assessment of intermediate data
[Assessment and investigation of statistical discrepancies in intermediate data.]

3.4.3 Assessment of discrepancies and other problems in statistical outputs
[Investigation of statistical discrepancies and other potential indicators of problems in statistical outputs.]

3.5 Revision studies
3.5.1 Revision studies and analyses

[Periodicity with which studies and analyses of revisions are carried out; whether and how they are used internally to inform statistical processes (see also 4.3.3).]

4. Serviceability

4.1 Periodicity and timeliness
4.1.1 Periodicity
[Periodicity of statistical outputs relative to applicable dissemination standard (SDDS requirement or GDDS recommendation).]

The indicators are delivered on a quarterly basis, but are subject to delay at the maximum of three months at the end of the reference period.

4.1.2 Timeliness
[Timeliness of statistical outputs relative to applicable dissemination standard (SDDS requirement or GDDS recommendation).]

The FSIs are at the latest uploaded three months after the end of the reference period.

4.2 Consistency
4.2.1 Internal consistency
[Consistency of statistics within the dataset.]

The underlying series for the indicator are available in a Statistics Database, that provide data on the balance sheet of Danish MFIs that support statistical cross checks and provide assurance of reasonableness.

http://www.nationalbanken.dk/en/statistics/find_statistics/Pages/Statistics-on-balance-sheets-of-banks-and-mortgage-banks.aspx

The FSI indicator is published …

4.2.2 Temporal consistency
[Consistency or reconcilability of statistics over a reasonable period of time.]

4.2.3 Intersectoral and cross-domain consistency

[Consistency or reconcilability of statistics with those obtained through other data sources and/or statistical frameworks.]

The Danish Financial Supervisory Authority also publishes statistics regarding Danish banks, mortgage-credit institutions and other MFIs (apart from Danmarks Nationalbank). These can be obtained from the internet on https://www.finanstilsynet.dk/en.

4.3 Revision

4.3.1 Revision schedule

[Transparency and regularity of revision schedule.]

The statistics are normally revised two reference periods back when the present month is published, cf. also Danmarks Nationalbank's revision policy for financial statistics and the appurtenant revision cycle.

4.3.2 Identification of preliminary and/or revised data

[Identification of preliminary and/or revised data.]

4.3.3 Dissemination of revision studies and analyses

[Dissemination of revision studies and analyses (see also 3.5.1).]

5. Accessibility

5.1 Data

5.1.1 Statistical presentation

[Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts).]

Sources and methodologies of the underlying series are available in English in a Statistics Database as well as via the following link:

http://www.nationalbanken.dk/en/statistics/find_statistics/Pages/Statistics-on-balance-sheets-of-banks-and-mortgage-banks.aspx

5.1.2 Dissemination media and format

5.1.2.1 Hard copy - New release
[Hard copy - New release.]

Danmarks Nationalbank releases statistics by electronic publication only.

5.1.2.2 Hard copy - Weekly bulletin
[Hard copy - Weekly bulletin.]

5.1.2.3 Hard copy - Monthly Bulletin
[Hard copy - Monthly Bulletin.]

5.1.2.4 Hard copy - Quarterly bulletin
[Hard copy - Quarterly bulletin.]

5.1.2.5 Hard copy - Other
[Hard copy - Other.]

[ ]

5.1.2.6 Electronic - On-line bulletin or data
[Electronic - On-line bulletin or data.]

[ ]

5.1.2.7 Electronic - Other
[Electronic - Other.]

[ ]

5.1.3 Advance release calendar
[Pre-announcement of the release schedule for statistics.]

[ ]

5.1.3.1 ARC Note
[ARC Note.]

[ ]

5.1.4 Simultaneous release
[Degree to which statistics are made available to all users at the same time, and modalities used to achieve this.]

[ ]

5.1.5 Dissemination on request
[Dissemination on request of unpublished but non-confidential statistics.]

[ ]
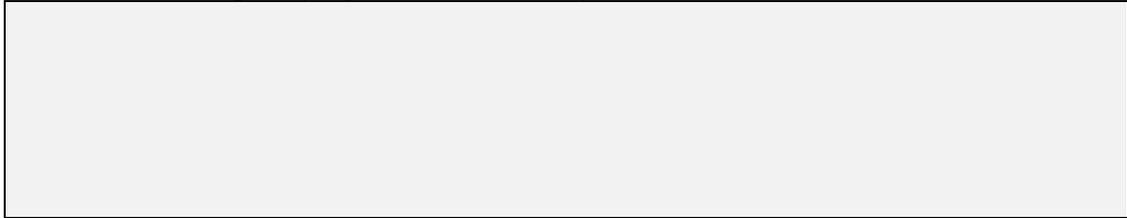
5.2 Metadata
5.2.1 Dissemination of documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques
[Dissemination of documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques, including annotation of differences from internationally accepted standards, guidelines.]

[ ]

5.2.2 Disseminated level of detail
[Customization of detail and format of tables for the target groups of users.]

[ ]

5.3 Assistance to users
5.3.1 Dissemination of information on contact points
[Dissemination of information on contact points for each subject field.]

[ ]
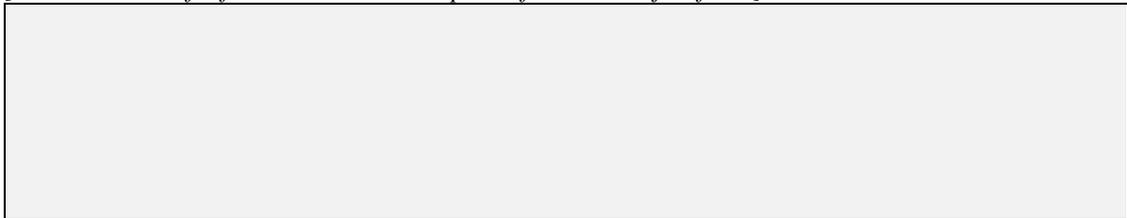
5.3.2 Availability of documents and services catalogs
[Dissemination of catalogs of publications, documents, and other services, including information on any charges.]

9. Plans

9.1 Transition Plans
9.1.1 Plans to meet requirements
[Plans to meet requirements]

Contact Person(s):
[Please provide information below as relevant]

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