

Credit register: Lessons from the financial crisis in Denmark

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USE OF CREDIT REGISTER DATA FOR FINANCIAL STABILITY PURPOSES

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Recommendation from Rangvid committee

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The Committee recommends a legislative change to allow the FSA to a wider extent exchange information on large exposures in its credit register with the banks.

The crisis has shown that a limited number of individuals have caused major losses in a number of small and medium-sized banks that have subsequently experienced difficulties. Setting up a credit register makes it possible to more systematically monitor the whereabouts of large and bad debtors and therefore to launch measures in advance to prevent individuals from having commitments in several banks of a size that may cause such banks to experience difficulties if an individual faces problems.

Lending to 17 selected customers in failed banks

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	Total lending 2007	Selected loans	Impairments 08-11 /
	Mio.	Mio.	Lending 07
Roskilde Bank	44972	12003	49.6
Amagerbanken	27246	6029	58.2
Fionia Bank	25980	1010	56.5
Fjordbank Mors	13390	346	108.7
EBH Bank	9525	323	263.7
Max Bank	8163	295	54.2
Eik Bank	8001	514	53.3
Sparekassen Østjylland	7593	-	
Gudme Raaschou Bar	4861	552	3.4
Totalt	149730	21072	73.9

Source: Rangvid report