

DANMARKS
NATIONALBANK

Taking a long view on threats to financial stability

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Today's outline



**Taking a
long view**



Climate change



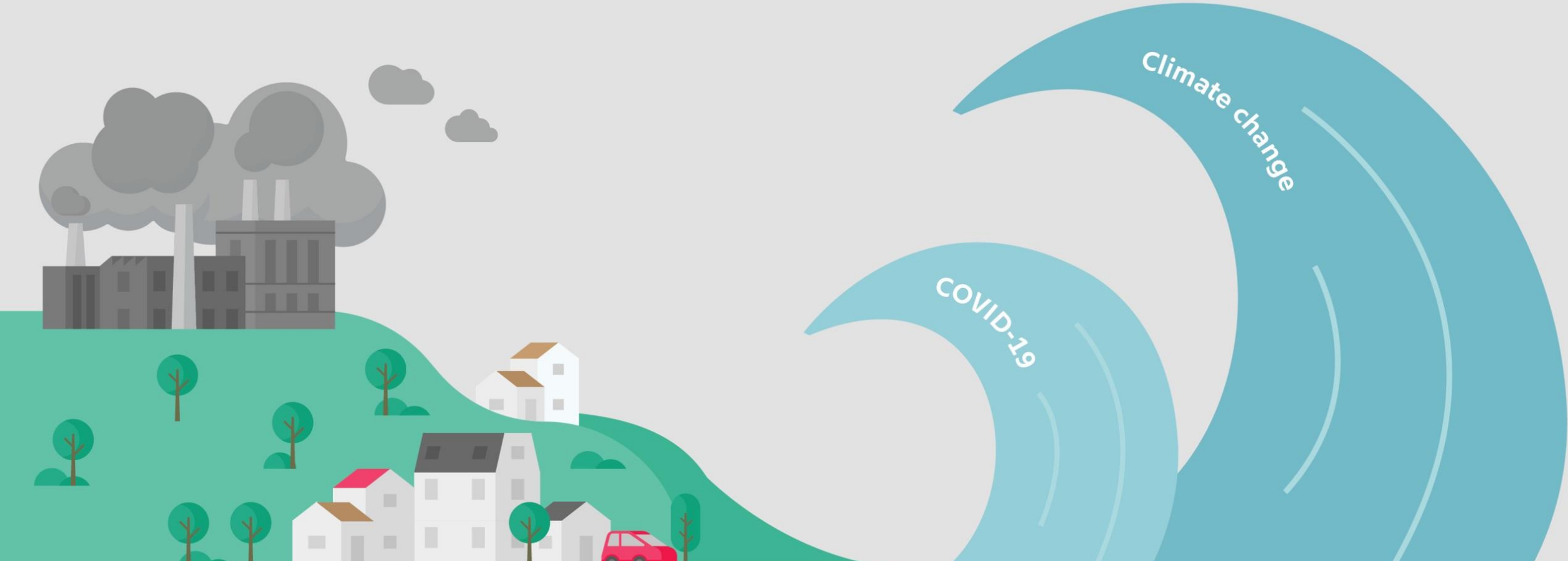
Cybercrime

Taking a long view

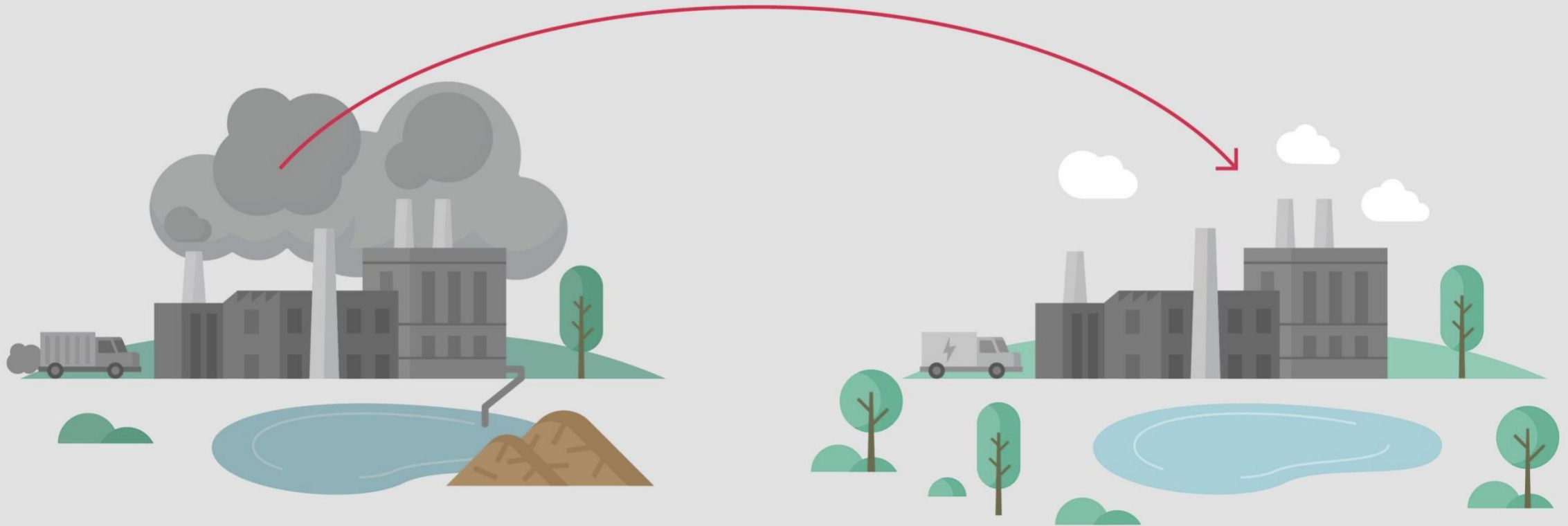
What awaits on the far side of the next hill?



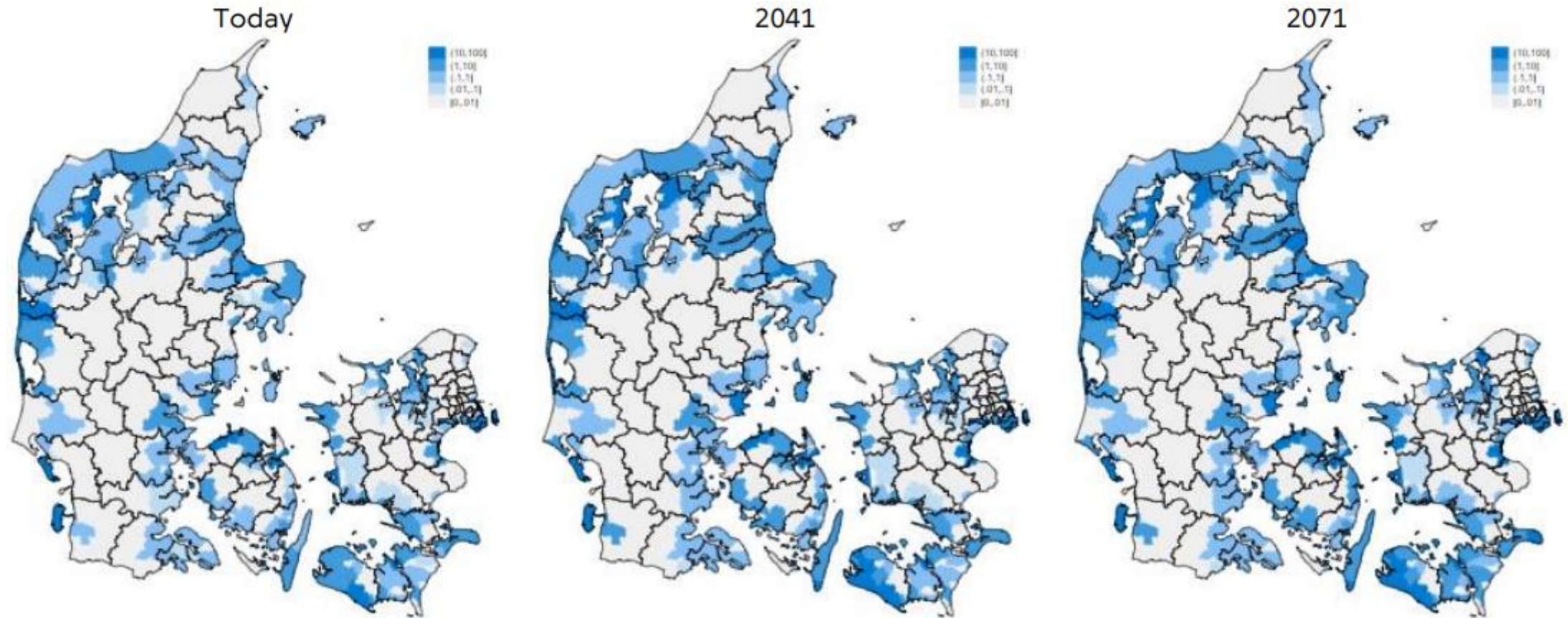
Climate change constitutes one of the largest challenges of our time



The financial sector allocates society's capital to its most efficient use



Risk of flooding is on the rise



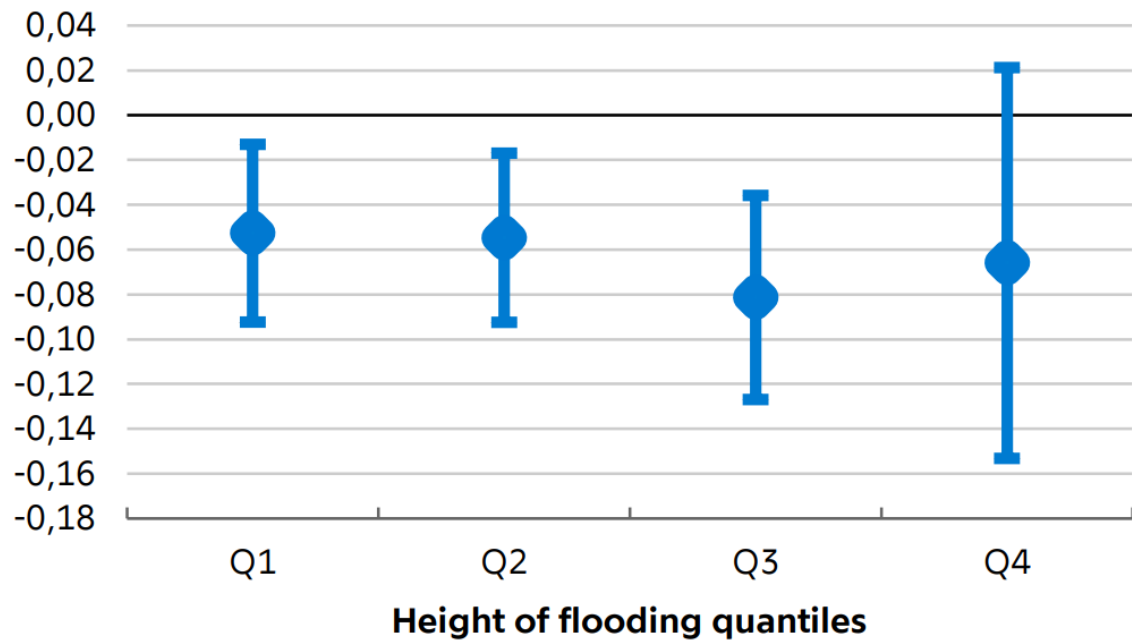
Note: The fraction of single-family houses exposed to flood risk at the postcode level. The black outlines are municipalities. The four shades of blue correspond to quartiles of flood risk exposure, with darker shades of blue implying that the water level will be higher for a specific house if a 100-year flood occurs. Clusters of houses that are not exposed to flood risk are displayed in grey.

Source: Nationalbanken, Sales and Valuation Register, the Central Register of Buildings and Dwellings and own calculations.

House prices are sensitive to flood risk

Flood risk discounts are statistically significant and economically important

Flood risk discount (per cent)



Note: All specifications include size and age dummies, as well as interacted post code, year-month, number-of-bedrooms and distance-to-sea dummies. Standard errors are clustered at the post code level. The confidence intervals displayed are at the 95 per cent level. The data is from 1992 to 2020.

Source: Sales and Valuation Register, the Central Register of Buildings and Dwellings, Technical University of Denmark's flood scenarios and own calculations.

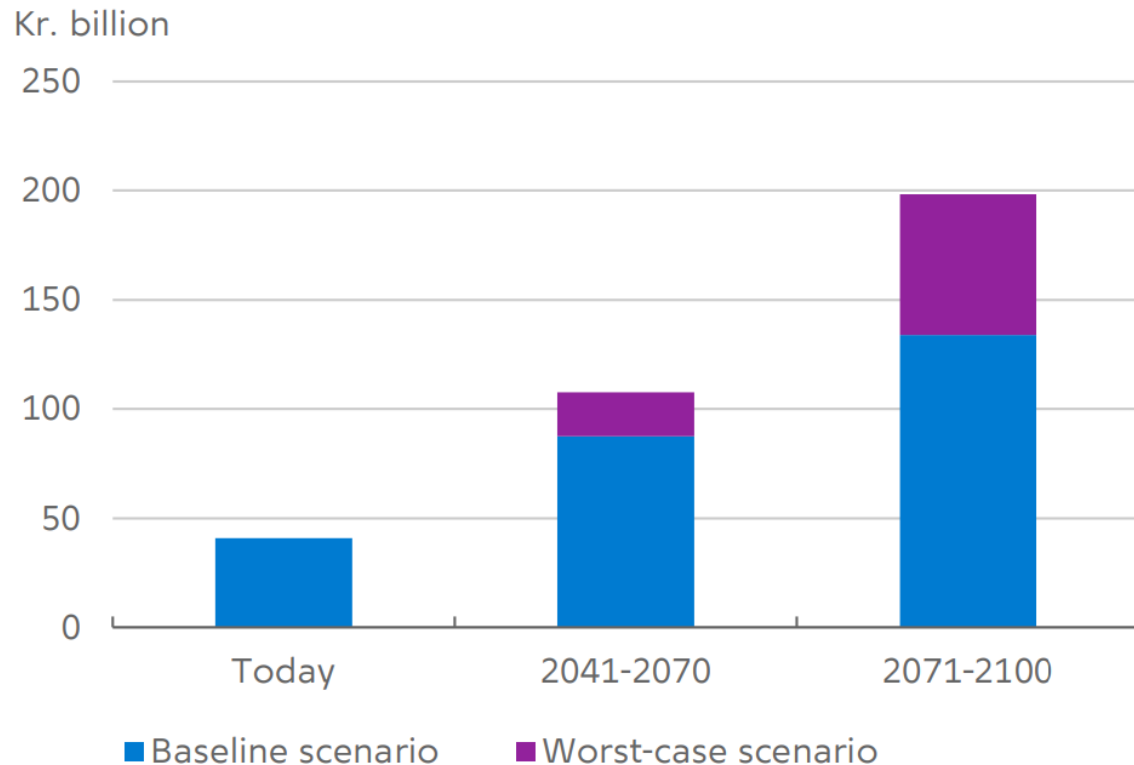


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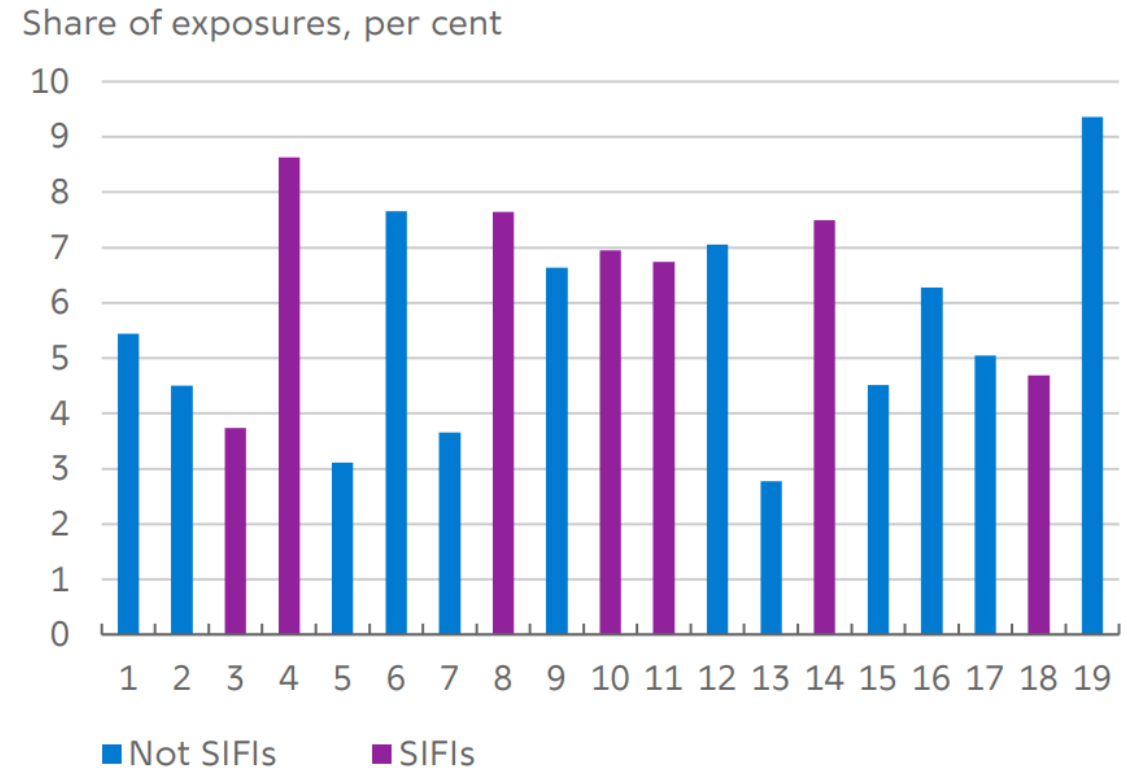


Flood risk can potentially affect a large share of credit institutions' exposures

Exposures at risk of flooding in the climate scenarios



Considerable variation in institutions' exposure to flood risk



Source: The Danish credit register, Technical University of Denmark's flood scenarios, DMI's Danish Climate Atlas and own calculations.

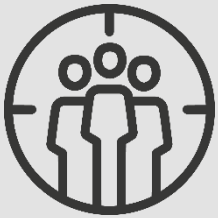
The threat from cybercrime and cyber espionage



Financial companies see cyber as their biggest risk and the one that is the most challenging to handle

Financial sector forum for operational resilience

SECTOR
COOPERATION AND
JOINT SOLUTIONS



FSOR



**RISK BASED
FOCUS**



DEFINE SCOPE



IDENTIFY RISKS



ASSESS RISKS



**IDENTIFY
MITIGATING
ACTIONS**



FSOR mitigating initiatives



Work on cyber resilience is being done at several levels



**RESPONSIBLE FOR
SECURING OWN SYSTEMS**

**FSA SUPERVISION FI AND
NB MONITORING FMIS**

FSOR

NFCERT

DCIS

**NATIONAL CYBER
STRATEGY**

**CENTER FOR CYBER
SECURITY**

NOST

NORDIC FORUM

EU/ECB

IMF

BIS

ECT.



Thank you

