Callable Capital Exercise – Shareholder Information Template

(1) Shareholder

Denmark

(2) Shareholding and Callable Capital Commitments

MDBs (and other DFIs, if applicable)	Shareholding (% of Subscribed Capital)	Callable Capital Commitments ($ billions, as of 20-12-2023)
EIB	2,64%	6,54
EBRD	1,2%	0,31
NIB	21,1%	1,73
AIIB	0,38%	0,30
IBRD	0,79%	2,03 (of which 0,35 is with provisioning for expected losses)
AfDB	1,14%	2,67 (of which 1,16 is with provisioning for expected losses)
ADB	0,34%	0,43
IDB group	0,17%	0,29

(3) Processes and Approvals: Describe the process your government would undertake and any approvals it would need to respond to a call on callable capital (or a call that is forthcoming). And, where legislative approval is required to respond to a call on callable capital (or a call that is forthcoming), describe the scope of opportunities for engagement with the legislature to seek this approval.

(4) Timeframes: Describe the timeframes associated with these processes and approvals. If the timeframe is conditional upon specific factors, please describe those factors.

(5) Responsibilities: Describe where the responsibilities for these processes and approval reside within your government.

Procedural Step	Timeframe	Responsible Entity
The general case: The government has a legal basis in the Finance Act to respond to a call immediately in full.	A few days. Large transactions in foreign currency (i.e. non DKK) might take a bit more time to perform.	Primarily the ministry responsible for the bank who made the call, with the involvement of the Ministry of Finance and the central bank (as payment agent for the state).

(6) Size of Call Response: Describe your government's potential to make available an amount of callable capital above the size of a call that has been made (or is forthcoming), and the associated processes and approvals for the same (if different from the above).

The Danish government would have to seek the approval of parliament to make available an amount above what has been requested.

(7) Accelerated Processes: Describe your government's potential to undertake accelerated domestic processes and approvals in response to a call on callable capital (or a call that is forthcoming), including what these processes and approval entail (including any conditions that must be met), their associated timeframes, and whether there are any limitations on the amount of callable capital available through them (recognizing that the existence of these accelerated processes has no effect on the circumstances under which callable capital may be called).

The process outlined in 3 also describes the process for an emergency.

(8) Callable Capital Available for Immediate Disbursement and Process/Timeframe: Describe any amounts of callable capital that are currently available for immediate disbursement in response to a call on callable capital (including, where applicable, funds that have already been made available through existing or previously approved budgets), and the processes, approvals, and timeframes associated with disbursement of such amounts.

As mentioned in section 5, callable capital with provisioning is available for immediate disbursement.

(9) Accounting and Budgeting Procedures: Describe the accounting treatment your government employs when accounting for callable capital, and how callable capital is treated in your government's budget.

Since 2019 the Danish Government sets aside provisions for expected losses on new guarantees associated with callable capital, which is paid by the responsible ministry. Recently issued callable guarantees are treated as other financial instruments (such as state lending and lending guarantees) in the government budgeting. That means that the calculated expected loss on each (newly issued) callable guarantee is treated as a cost in the government budget.

The Guarantee itself is a contingent liability in the central government accounts, and reported in detail as a disclosures notes in the accounts. If a call is made, the paid amount is treated as an expenditure in the central government accounts. The detailed classification of the expenditure (normal expenditure, equity injection, etc.) will depend on the precise nature of the contingent liability etc.

(10) Legal Status of Callable Capital Subscriptions: Describe the legal status of your government's callable capital subscriptions, including the legal basis upon which those subscriptions rest.

Government guarantees are issued based on substantive law. Once the guarantee is issued, it is callable in its full amount for the entire duration of the guarantee.

(11) Cross-MDB Differences: Describe any differences in the way your government treats callable capital from an accounting, legal, or process for responding to a call perspective across the different MDBs.

The process is the same for all MDBs.

(12) Other Factors: Cite any other factors affecting your government's ability to promptly respond to a call on callable capital.