

## The money and capital markets

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### Capital intermediation

#### Capital transfers from lenders to borrowers

A capital market is a market where financial products are traded, such as loans, shares, bonds and credit. The market makes it possible to transfer capital from persons with a savings surplus to persons with a savings shortage. This allows the individual to time his investments and consumption in relation to his earnings.

The purpose of the money market is to ensure a smooth payment mechanism so that transactions can be completed against payment without any major costs or difficulty.

Thus, the money market concerns the liquidity applied for transfer of payments in connection with financial transactions. There is no clear dividing line between the money market and the capital market.

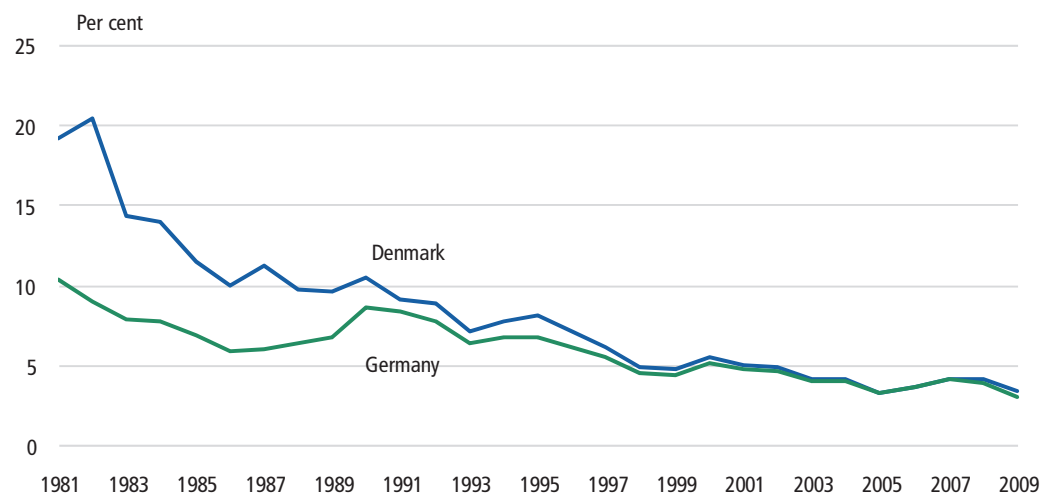
#### Increased internationalization

Since the early 1980s, the Danish financial markets have seen a distinct development towards deregulation, internationalization and increasing competition. Danish citizens can make foreign investments or raise loans abroad without major difficulty or costs.

The free movement of capital has together with a credible exchange rate policy led to equalization of the prices (interest rates) of the financial products between the countries.

In 1980, the difference between the Danish and German long-term bond interest rate was 10.6 percentage points; in 2007 it was down to 0, but in 2008 and 2009 it increased a little.

**Figure 1** Interest rate on 10-year government bonds



www.statbank.dk/dnrenta

**Long-term interest rate reached 21 per cent in 1982**

The interest on a financial claim reflects the lender's compensation for the postponement of the opportunities of consumption. A distinction is made between short-term and long-term interest rates, i.e. the interest rates on short-term and long-term claims.

Usually, the banks' three-month interest rate is applied as an indicator of the short-term interest rate, while the interest rate on ten-year government bonds is the indicator of the long-term interest rate.

The short-term interest rate can be controlled centrally. The central bank of Denmark (Danmarks Nationalbank) can adjust the volume and price of liquidity in relation to the banks. The interest that the banks receive from or pay to Danmarks Nationalbank influences the interest rates fixed by the banks vis-à-vis their customers.

The long-term interest rate reflects other market-driven factors, first of all inflation and risk expectations. The longer the term of the claim, the greater influence will these factors have on the fixing of the interest rate. The long-term interest rate will usually be higher than the short-term interest rate.

In 1981, the short-term interest rate was as high as 21 per cent per annum, partly because of high inflation expectations.

**Government purchased foreign currency to keep the krone rate down**

The rate of the Danish krone depends on the supply and demand for foreign currencies. The demand for foreign currency increases at import payments and capital exports (e.g. when Danes purchase foreign securities or make investments abroad).

Conversely, export payments and capital imports will increase the demand for Danish kroner. An increased demand for foreign currency will force the exchange rate upwards and the rate of Danish kroner will decrease.

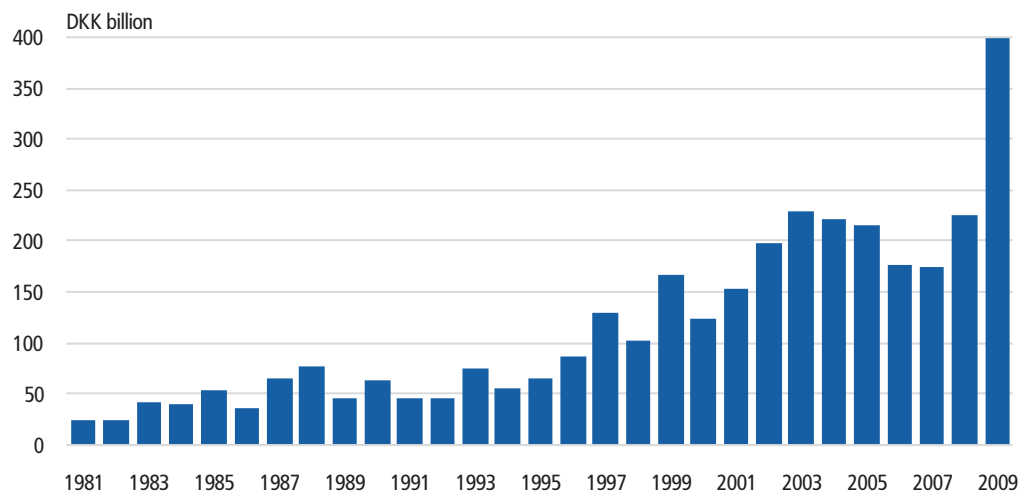
Danmarks Nationalbank trades in the foreign exchange market with a view to stabilise the krone rate through purchases and sales of foreign currency against Danish kroner. Thus, the primary purpose of foreign exchange reserves is to enable Danmarks Nationalbank to use intervention as a tool to maintain a stable exchange rate between the krone and the euro.

Purchases of Danish kroner thus tend to strengthen the krone rate, while sales of Danish kroner, i.e. purchases of foreign currency, tend to weaken the krone rate.

The volume of the Danish foreign exchange reserves has increased substantially since the early 1990s to 2003. This indicates that in the past decade Danmarks Nationalbank has made more purchases than sales of foreign currency in net terms to keep the krone rate down.

Since 2003 the Danish foreign exchange reserves has decreased once again, and especially in 2006 the foreign exchange reserves has fallen substantially. However, in 2008 and 2009 the reserves increased once again.

Figure 2 Foreign exchange reserve



[www.statbank.dk/dnivr](http://www.statbank.dk/dnivr)

### Denmark participating in ERM II

Since 1 January 1999, Denmark has participated in an exchange-rate co-operation with the European Central Bank (ECB) for the EU member states, which do not participate in the European Monetary Union. Since June 2004 Denmark, which at the time was the only member, has been accompanied by Estonia, Lithuania, Latvia, Cyprus, Malta and Slovakia. The agreement is called ERM II (Exchange Rate Mechanism II) and is very similar to the former co-operation under the European Monetary System.

The purpose of ERM II is to retain the exchange rates within the agreed fluctuation band on  $\pm 15$  per cent in relation to the central rate. Denmark has a narrower fluctuation band on  $\pm 2.25$  per cent in relation to the central rate. In case of extraordinary pressure on the krone, in addition to selling some of its foreign exchange reserve Denmark may draw on an intervention credit/euro account with the ECB. Thus, the ERM contributes to stabilizing the krone rate in relation to the European currencies and the euro, but not in relation to other major currencies such as the US-dollar or the yen.

## 2

### Financial claims

#### Money as a means of payment

Today, the function of money as a means of payment is based exclusively on trust. If a seller is to accept money as payment for his product, he must be able to trust that others will also accept money as the means of payment. In case of high inflation, the value of money as a means of payment will drop.

Until 1931, the value of notes and coins could be converted into gold at Danmarks Nationalbank. Although the gold convertibility was subsequently abolished, the gold standard existed formally until 1971. This implied that Danmarks Nationalbank had a duty to maintain gold reserves corresponding to the value of notes and coins in circulation. Today, money is still claims against Danmarks Nationalbank, but these claims are no longer covered by the gold reserves of Danmarks Nationalbank.

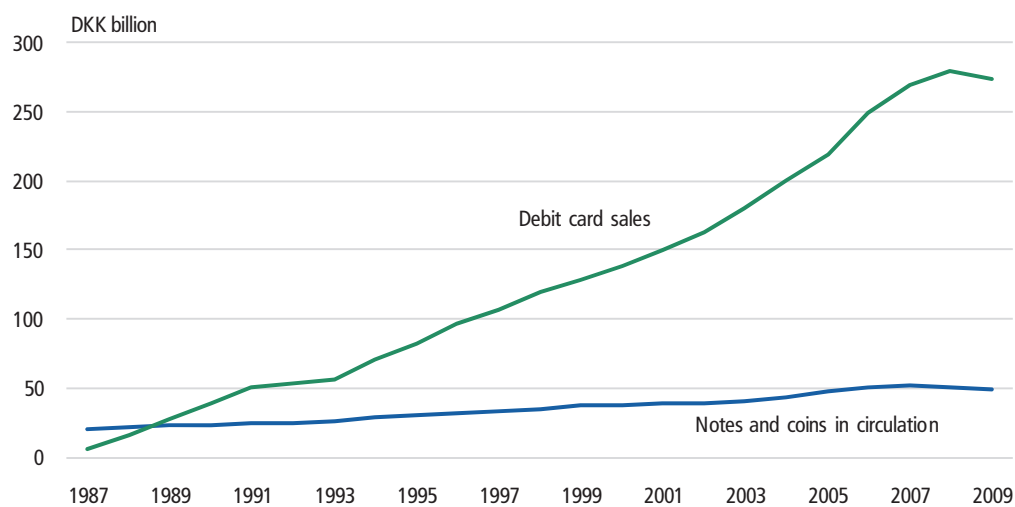
**Figure 3 Dankort (debit card) sales and notes and coins in circulation**

Table 407 and 412

**Difficult to estimate the money stock**

It is increasingly difficult to estimate the amount of liquidity available in the Danish society. Because of the use of Dankort (debit card), various types of accounts related to the Dankort have become just as liquid as notes and coins.

At the same time, certain credit facilities may be connected to the Dankort, just as foreign banks may provide credit facilities to Danish citizens.

Because of Denmark's position as a small, open economy with free capital movements, the role of the money stock as a monetary policy target figure is no longer as important as before.

**Danish mortgage bonds are internationally unique**

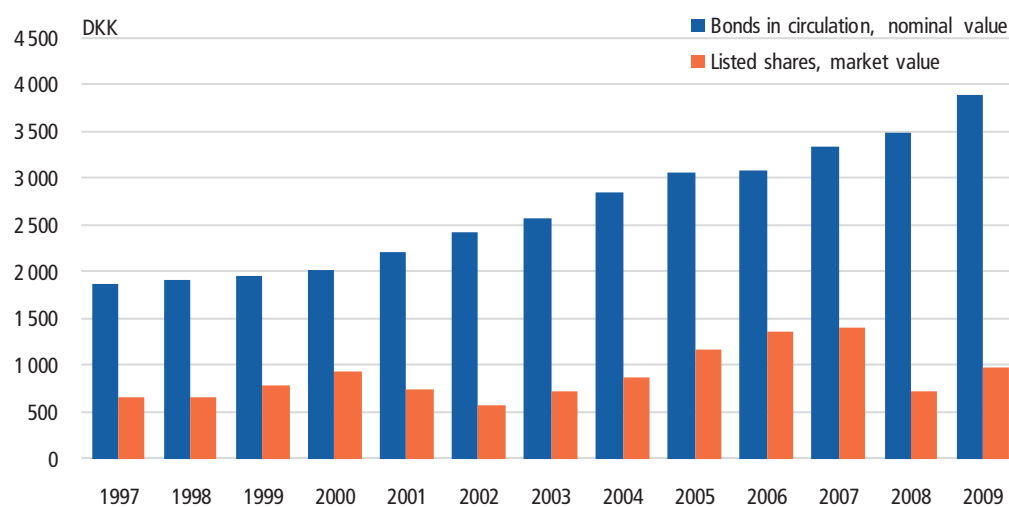
Bonds are liquid, standardized debt instruments with low risk and a fixed repayment profile. Before the introduction of the euro, the Danish bond market was among the largest in Europe<sup>1</sup>. The market is dominated by government bonds and mortgage bonds.

Mortgage bonds are secured by real property and have long maturity (up to 30 years). The Danish mortgage bonds are unique to the Danish market in terms of their role in relation to home financing.

In addition to the security in real property, the relatively high degree of security relates to the terms and conditions associated with the loan assessment by the mortgage credit institutes concerning lending limits, maturity and accumulation of reserve funds.

At the end of 2009, about 11 per cent of the total bond volume was owned by foreign investors. In recent years, foreign investors have shown an increasing interest in mortgage bonds. Thus, 8 percent of mortgage bonds were held by foreigners at the end of 2009 compared to about 5 per cent in 1996.

<sup>1</sup> Following the introduction of the euro on 1 January 1999, the euro markets are no longer divided into regions, but constitute a single market.

**Figure 4** Shares and bonds traded on the Copenhagen Stock Exchange

[www.statbank.dk/dnvpdkb](http://www.statbank.dk/dnvpdkb)

### Shares are risky investments

A share is a certificate of ownership of a company. The value of the share depends above all on the future earnings of the company. Since future earnings are connected with great uncertainty, investing in shares may lead to both large losses and large gains.

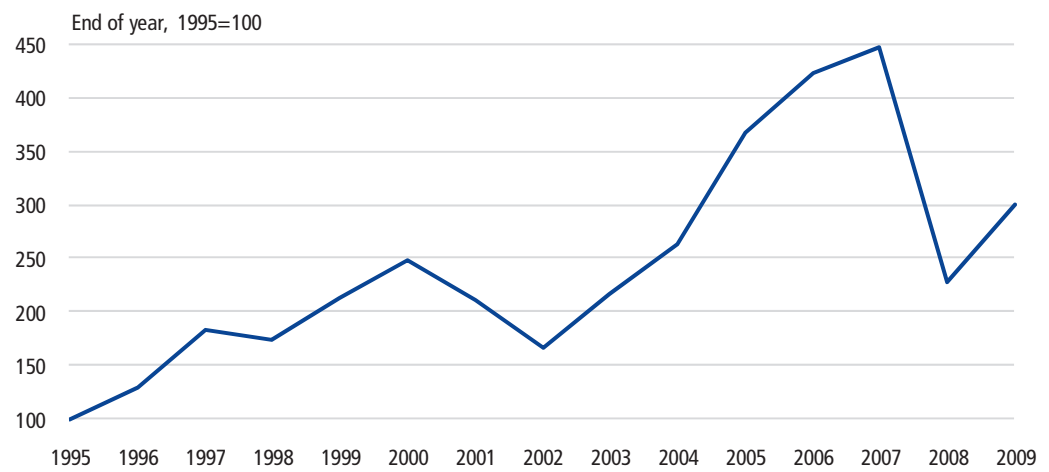
In addition to specific expectations of the company in question, the share price also reflects more general expectations of the particular industry and the economy at large. Minor changes in market information may create substantial fluctuations in the market.

The Danish stock market is not as large as the bond market. It reflects the Danish corporate structure, which is characterised by many small and medium-sized enterprises without the tradition found abroad of entering the stock market to finance their need for capital.

In 2008, 203 companies were listed on the Stock Exchange, of which the 20 largest accounted for 64 per cent of the total volume of listed shares.

Various indices are used as indicators of the development in the stock market. The most commonly used are the all-share index OMXC shown above, which shows the market value of all listed shares, and OMXC20, which is a weighted market value index of the 20 largest and most traded shares.

There has been a trend of increasing prices reflecting the trends in the international markets. In 1998, 2001, 2002, 2007 and 2008, price decreases were widespread and in line with the share price development in the foreign markets. In 2009 the prices raised again.

**Figure 5** OMXC, index of all shares at market value

[www.statbank.dk/mpk13](http://www.statbank.dk/mpk13)

### 3

## Enterprises in the financial sector

### Banking, mortgage lending and insurance activities still separate

Since the early 1980s, the business areas in the financial sector have overlapped. Today, banks offer their customers pension schemes that are very similar to the schemes offered by life insurance companies. However, it is still prohibited to carry on banking, mortgage lending and insurance activities in one and the same company.

New legislation made it possible to set up holding companies and intercompany ownership among the financial companies. This implies that a mortgage credit institute may own a bank and vice versa. As a result, the capital market has seen a number of mergers and group formations.

In that connection financial supermarkets have emerged where consumers can handle all their financial commitments through the same provider.

### Few large and many small banks

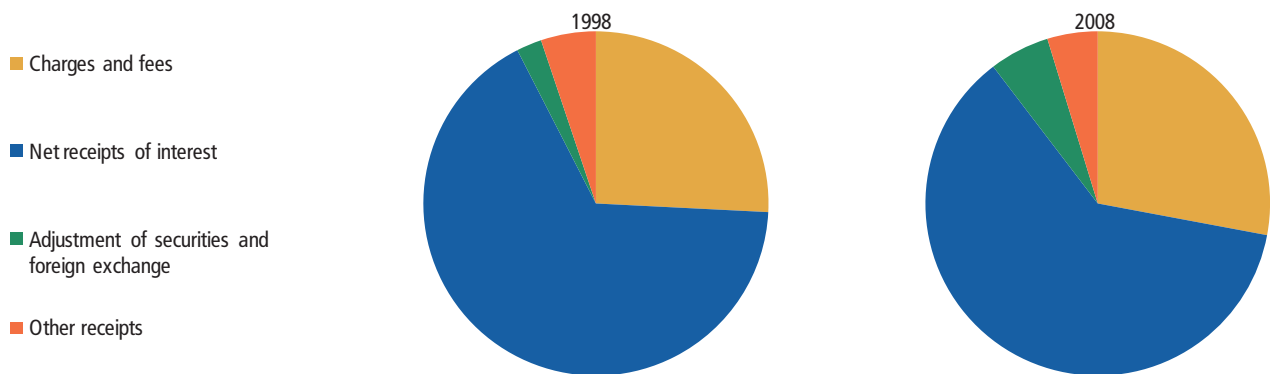
The banking sector handles functions in connection with payment and credit transfers, securities trading and related services. Despite the mergers among the major banks in recent years, a large number of small banks remain.

At the end of 2008, 138 banks were registered, of which the two largest account for 71 per cent of the balance sheet total in the sector.

The lending activity in the banking sector is often in focus because it is highly sensitive to market fluctuations and may be seen as an indicator of growth in for example consumption and investing activities.

The interest margin, i.e. the difference between lending and deposit interest rates, also attracts attention. However, an increasing proportion of the banks' earnings derive from charges and fees.

Figure 6 The banks' earnings by type



[www.statbank.dk/mpk39](http://www.statbank.dk/mpk39)

### Lending activity of mortgage credit institutes depends on interest changes

In Denmark, only mortgage credit institutes may carry on mortgage credit activities. Mortgage credit activities mean lending against registered security in real property based on the issue of mortgage bonds.

Presently, there are eight players in the market. The lending activity is primarily influenced by the development in interest rates. Upward or downward fluctuations will trigger waves of re-mortgaging, where borrowers seek to convert their loans to obtain more favourable terms of repayment.

### Increasing share of personal savings with insurance companies and pension funds

Distinction is made between non-life insurance and life and pension insurance. The different types of insurance may not be offered by the same company, but may be connected through inter-company ownership. Particularly the life and pension insurance business has increased in recent years.

Due to the development of labour market pension schemes and various forms of tax privileges in connection with pension contributions, an ever-increasing share of personal savings are managed by the pension funds and life insurance companies, which have thereby become important players in the financial markets.

### Vigorous expansion in investment associations

An investment association is an association that invests the funds received as contributions from its members. The members are often small savers, but may also be life insurance companies, pension funds and foundations. The advantages of acting jointly are lower administrative costs and enhanced possibilities for risk diversification.

The investment associations have expanded vigorously over the past few years. The balance sheet total has increased from DKK 290 billion at the end of 2002 to DKK 569 billion at the end of 2008. In 2008, there were 132 investment associations issuing investment fund shares.

**Table 405** Financial sector, main figures

	2007			2008		
	Balance	Companies	Employees	Balance	Companies	Employees
	DKK bn.	number		DKK bn.	number	
<b>Total</b>	<b>10 060</b>	<b>529</b>	<b>66 662</b>	<b>10 705</b>	<b>539</b>	<b>69 621</b>
Banks	4 285	147	45 042	4 733	138	47 599
Mortgage banks	2 621	8	4 122	2 819	8	4 126
The ship Credit fund of Denmark	77	1	57	82	1	60
Securities and broking companies	2	30	425	2	45	492
Investment funds	892	124	300	569	132	359
Non-life insurance companies	162	118	12 077	153	113	12 173
Life insurance companies	1 054	33	3 671	1 119	33	3 829
Non-occupational pension funds	412	28	247	396	28	271
Company pension funds	43	36	36	44	37	36
Labour Market Supplementary Pension	389	1	665	599	1	655
Employees Capital Pension Fund (LD)	63	1	20	97	1	21
Labour market occupational health insurance	6	1	...	9	1	...
Special pension scheme savings	54	1	...	83	1	...

Source: Danish Financial Supervisory Authority

www.statbank.dk/mpk55

**Table 406** Denmark's gold and foreign exchange reserve

End of year	2007	2008	2009
	DKK billion		
Danmarks Nationalbanks gold stock	9.1	9.8	12.3
Danmarks Nationalbanks foreign assets	162.6	210.5	369.8
Claims on the International Valuta Fund	2.5	3.4	15.7
<b>The foreign exchange reserve</b>	<b>174.2</b>	<b>223.7</b>	<b>397.8</b>

Source: Danmarks Nationalbank

**Table 407** Money stock

	2007	2008	2009
	DKK billion		
<b>Money stock</b>	<b>972.8</b>	<b>1 060.0</b>	<b>1 024.0</b>
Notes and coins outside the banking sector	51.9	50.4	48.5
<b>Deposit in banks and savings banks</b>	<b>920.9</b>	<b>1 009.6</b>	<b>975.5</b>
÷ Demand deposits	703.2	704.8	772.5
÷ Agreement deposits <sup>1</sup>	217.7	304.8	203.0

<sup>1</sup> Includes, e.g. deposits at notice and time deposits.

Source: Danmarks Nationalbank



Table 408 Profit and loss account and balance sheet of Danmarks Nationalbank

	2007	2008	2009
	DKK mio.		
<b>Profit and loss account</b>			
Net interest receivable	4 105	4 915	2 760
Market value adjustment	1 634	2 246	1 751
Dividend on investments	134	140	126
Other income	59	26	24
Costs including depreciation	-751	-590	-706
<b>Net profit of the year</b>	<b>5 181</b>	<b>6 737</b>	<b>3 955</b>
<b>Balance sheet</b>			
<b>Assets, total</b>	<b>424 540</b>	<b>635 094</b>	<b>550 151</b>
Stock of gold	9 084	9 781	12 260
Special drawing rights in the IMF	2 561	3 406	15 683
Foreign assets	161 722	202 777	370 861
Lending	219 368	370 814	107 969
Securities	28 581	27 308	33 093
Other assets	3 224	21 008	10 285
<b>Liabilities, total</b>	<b>424 540</b>	<b>635 094</b>	<b>550 151</b>
Notes in circulation	55 782	55 612	55 015
Coin in circulation	5 771	5 671	5 746
Allocations of Special Drawing Rights	1 432	1 460	12 419
Foreign liabilities	4 585	4 293	4 257
Deposits	211 969	246 702	188 294
Other liabilities	632	503	11 509
The Central Government's current account	89 899	262 789	212 435
Equity capital	54 470	58 064	60 476

Source: Danmarks Nationalbank

[www.statbank.dk/mpk38](http://www.statbank.dk/mpk38)

Table 409	Profit and loss account and balance sheet of Danish banks	
End of year	2007	2008
<b>Number of banks</b>	<b>147</b>	<b>138</b>
<b>Antal ansatte, ultimo året</b>	<b>45 042</b>	<b>47 599</b>
	————— DKK mio. —————	
<b>Profit and loss account</b>		
+Interest income	169 826	204 019
÷Interest expenses	127 264	151 218
<b>Net income from interest, net</b>	<b>42 562</b>	<b>52 800</b>
+Share dividends	1 334	903
+Charges and commissions income	24 739	23 935
÷Charges and commissions expenses	4 829	5 537
<b>Net income from charges and commissions</b>	<b>63 806</b>	<b>72 102</b>
+Revaluation of securities and foreign exchange	7 025	-4 845
+Other ordinary income	2 792	4 040
<b>Profit/loss on financial items</b>	<b>73 623</b>	<b>71 296</b>
÷Staff and administrative expenses	42 796	46 105
÷Depreciation of tangible and intangible assets	2 943	6 644
÷Other operating expenses	85	2 052
÷Depreciations and provisions, net	-150	28 388
+Adjustments of shares	11 641	5 403
<b>Profit/loss on ordinary activities</b>	<b>39 590</b>	<b>-6 490</b>
+Extraordinary receipts, net	0	0
<b>Profit/loss before tax</b>	<b>39 590</b>	<b>-6 490</b>
÷Tax	7 068	-325
<b>Profit/loss for the year</b>	<b>32 522</b>	<b>-6 165</b>
<b>Balance sheets</b>		
<b>Assets, total</b>	<b>4 275 014</b>	<b>4 724 669</b>
Claims on credit institutions, etc.	751 930	589 915
Loans	2 138 432	2 271 201
Bonds, etc.	758 415	883 109
Shares, etc.	32 519	21 719
Holdings in associated and affiliated enterprises	130 736	119 473
Intangible assets	27 199	24 399
Tangible assets	19 024	19 309
Other assets	416 759	795 544
<b>Liabilities, total</b>	<b>4 275 014</b>	<b>4 724 669</b>
Liabilities to credit institutions, etc.	1 265 508	1 177 553
Deposits	1 615 523	1 675 151
Issued bonds, etc.	448 789	585 469
Other liabilities, accruals and deferred income	603 801	953 536
Provisions for liabilities and charges	4 639	6 637
Capital deposits	93 397	95 250
Equity capital	243 357	231 073

Note: Excluding the banks in Greenland.

Source: Danish Financial Supervisory Authority

[www.statbank.dk/mpk39](http://www.statbank.dk/mpk39)

Table 410 Banks' domestic lending and deposits. 2009

	Deposits	Lending <sup>1</sup>
	— mio. kr. —	
<b>Total</b>	<b>1 438 028</b>	<b>1 530 573</b>
Agriculture, forestry & fishing	21 347	57 552
Mining & quarrying	1 610	949
Manufacturing	45 375	101 269
Electricity, gas, steam & air conditioning supply	8 926	19 913
Water supply, sewerage and waste management	3 475	1 991
Construction	17 290	28 122
Wholesale & retail trade	40 480	73 945
Transportation & storage	15 530	38 220
Accommodation & food service activities	4 081	9 847
Information & communication	13 512	15 262
Financial & insurance activities	446 523	483 578
Real estate activities	44 392	134 606
Professional, scientific & technical activities	40 686	29 395
Administrative & support activities	10 609	17 992
Public administration & defence	20 195	24 852
Education	6 858	2 476
Human health & social work activities	11 974	6 994
Arts, entertainment & recreation	3 983	5 660
Other service activities	13 824	7 317
Activities of households as employers	250	258
Activities of extraterritorial organisations & bodies	29	9
Households	645 186	439 562
Activity not stated	21 893	30 804

Note.: Banks included in the table covers approximately 94 pct. of the total balance for the banking sector.

<sup>1</sup> Outstanding at the end of year.

Source: Danmarks Nationalbank

New figures is scheduled to be released in February 2011

Table 411 Long-term savings schemes with deposit accounts of Danish banks

End of year	2007	2008	Percentage change in relation to previous year
	————— DKK mio. —————		per cent
<b>Specific deposit accounts, total</b>	<b>184 694</b>	<b>180 811</b>	<b>-2.1</b>
Index-linked pension savings	11 467	10 923	-4.7
Capital-pension accounts	83 765	78 802	-5.9
Savings accounts for children	11 477	11 705	2.0
Private pension schemes	3 848	3 350	-12.9
Investment-fund accounts	16	13	-18.8
Business establishment savings	876	849	-3.1
Home-savings contracts	526	459	-12.7
Instalment-pension accounts	64 696	68 014	5.1
Savings accounts for education	312	247	-20.8
Premium lottery accounts	7 671	6 409	-16.5
Market fluctuation adjustment accounts	40	41	2.5

Source: Danish Financial Supervisory Authority

[www.statbank.dk/mpk43](http://www.statbank.dk/mpk43)

Table 412 Danish electronic payment card system

	1993	1998	2003	2008	2009
	————— thousands —————				
Number of cards	2 412	2 621	3 434	4 010	4 184
Transaction	147 314	328 975	528 044	796 099	828 237
	————— DKK mio. —————				
Turnover	46 586	113 203	175 719	279 712	274 053

Source: PBS

[www.statbank.dk/mpk41](http://www.statbank.dk/mpk41)

Table 413	Mortgage banks	
	2007	2008
<b>Number of institutions</b>	<b>8</b>	<b>8</b>
	----- DKK mio. -----	
<b>Profit and loss account</b>		
+Interest income	106 622	127 588
÷Interest xpenses	92 648	112 199
<b>Net income from interest</b>	<b>13 974</b>	<b>15 389</b>
+Charges and commissions receivable	-803	-1 162
<b>Net income from charges and commissions</b>	<b>13 171</b>	<b>14 227</b>
÷Expenditure of the personnel administration and other operating expenses	4 818	4 999
÷Depreciation and provisions on loans	394	1 854
+Adjustment of capital interest	2 761	-5 498
+Other ordinary receipts	47	147
<b>Profit/loss on ordinary activities</b>	<b>10 767</b>	<b>2 023</b>
+Extraordinary receipts (net)	...	...
÷Tax	2 624	1 218
<b>Profit/loss for the year</b>	<b>8 143</b>	<b>805</b>
<b>Balance sheets</b>		
<b>Assets, total</b>	<b>2 620 657</b>	<b>2 819 007</b>
Claims on credit institutions, etc.	385 436	439 044
Loans	1 994 508	2 171 767
Bonds and shares, etc.	197 330	154 070
Holdings in associated and affiliated enterprises	20 230	25 162
Intangible assets	4 009	5 297
Tangible assets	1 246	802
Other assets	17 897	22 865
<b>Liabilities, total</b>	<b>2 620 657</b>	<b>2 819 007</b>
Liabilities to credit institutions	345 343	477 632
Issued bonds, etc.	2 037 069	2 106 571
Other liabilities, accruals and deferred income	87 065	84 887
Provisions for liabilities and charges	2 266	1 581
Capital deposits	16 114	14 922
Equity capital	132 800	133 414

Source: Danish Financial Supervisory Authority

www.statbank.dk/mpk47 and mpk48

Table 414	Lending activity of mortgage banks	2007	2008	2009
		DKK mio.		
	<b>Loans incl. index-linked loans, total</b>	<b>176 823</b>	<b>162 080</b>	<b>121 426</b>
	Owner-occupied dwellings and holiday homes	94 664	64 436	62 133
	Rental housing	24 720	20 380	8 035
	Business properties	55 467	75 890	49 466
	Other properties	1 972	1 374	1 792

Note: Lending by mortgage banks has been calculated at cash values. 'New loans' is a net concept equal to gross lending less early repayments and ordinary repayments.

Source: Danmarks Nationalbank

Table 415	Major finance companies, factoring and other loans	Total activities		Status	
		2007	2008	Ult. 2007	Ult. 2008
		DKK mio.			
	Factoring	42 408	38 004	4 763	4 433
	Other loans	15 090	13 604	35 081	36 316

Source: Individual finance company

[www.statbank.dk/mpk57](http://www.statbank.dk/mpk57)

Table 416	Major finance companies, leasing	2007	2008
		DKK mio.	
	Activities in the year		
	<b>Total</b>	<b>23 844</b>	<b>22 420</b>
	Industrial equipment	2 969	3 439
	Edp and office equipment	2 586	2 747
	Lorries and vans	9 751	8 206
	Passengercars	3 606	2 514
	Vessels, aircraft, railway material	188	180
	Buildings	596	557
	Other	4 148	4 777
	<b>Status at end of year</b>	<b>57 386</b>	<b>56 911</b>

Source: Individual finance company

[www.statbank.dk/mpk31](http://www.statbank.dk/mpk31)

Table 417		Consumer credit		
End of year	2007	2008	2009	
	DKK mio.			
<b>Total</b>	<b>20 515</b>	<b>21 060</b>	<b>19 453</b>	
Balance on credit and account cards	7 550	7 190	6 884	
Of which, petrol companies	1 521	1 237	1 265	
Blank credit	10 216	11 051	9 813	
Secured credit	2 749	2 819	2 756	

Source: Each individual financing company and credit card company

[www.statbank.dk/mpk30](http://www.statbank.dk/mpk30)

Table 418		Quoted bonds in circulation by holder sector. 2009		
Nominal value at the end of the year	Central government bonds, etc.	Bonds issued by mortgage banks etc. <sup>1</sup>	Other quoted bonds <sup>2</sup>	Total
	DKK mio.			
<b>Total</b>	<b>518 642</b>	<b>3 054 855</b>	<b>307 354</b>	<b>3 880 851</b>
<b>Non-financial corporations</b>	<b>4 490</b>	<b>112 978</b>	<b>11 065</b>	<b>128 533</b>
<b>Financial corporations</b>	<b>75 385</b>	<b>1 865 151</b>	<b>118 079</b>	<b>2 058 615</b>
Monetary financial institutions	54 431	1 612 474	65 168	1 732 073
Other financial institutions	20 954	252 676	52 912	326 542
<b>Insurance and pension funds corporations</b>	<b>200 788</b>	<b>582 281</b>	<b>46 692</b>	<b>829 761</b>
<b>General government</b>	<b>77 252</b>	<b>69 156</b>	<b>54 135</b>	<b>200 543</b>
Central government	76 001	42 689	46 620	165 310
Local government	1 237	25 641	7 353	34 231
Social security funds	15	826	162	1 003
<b>Households</b>	<b>3 293</b>	<b>94 946</b>	<b>42 863</b>	<b>141 102</b>
<b>Non-profit institutions serving households</b>	<b>902</b>	<b>29 334</b>	<b>1 137</b>	<b>31 373</b>
<b>Sector unknown</b>	<b>5 497</b>	<b>44 662</b>	<b>3 003</b>	<b>53 162</b>
<b>Abroad</b>	<b>151 034</b>	<b>256 347</b>	<b>30 380</b>	<b>437 761</b>

<sup>1</sup> Bonds issued by mortgage banks and bonds issued by other institutions that issue bonds. <sup>2</sup> Local government bonds, bonds issued by the Ship Credit Fund of Denmark, debentures, foreign bonds and CMO bonds.

Source: The Danish Securities Centre

**Table 419** Owners of quoted shares and unit trust certificates by holder sector. 2009

Share prices, end of year	Non-financial corporations			Financial corporations	Foreigns corporations	Total
	Manufacturing, etc.	Transport, postal services and telecommunications	Other corporations			
Owners <sup>1</sup>						
	DKK billion					
<b>Total</b>	<b>264.2</b>	<b>135.3</b>	<b>360.0</b>	<b>552.6</b>	<b>43.8</b>	<b>1 355.9</b>
Non-financial corporations	53.5	63.3	135.7	57.7	1.8	312.1
Financial corporations	16.6	9.7	22.9	83.8	13.3	146.4
Insurance and pension funds corporations	12.8	10.9	16.2	70.4	1.7	111.9
General government	0.1	0.3	3.9	4.6	1.1	10.0
Non-profit institutions serving households	36.6	19.6	48.8	259.3	12.7	377.1
Households <sup>2</sup>	3.3	1.2	3.6	12.6	0.6	21.2
Abroad	1.8	1.9	3.6	13.5	0.6	21.4
Sector unknown	139.5	28.4	125.4	50.7	11.9	355.9

<sup>1</sup> Owners are defined as account holders with the Danish Securities Centre. <sup>2</sup> Households consists of privately owned enterprises, employees, pensioners etc.

Source: Danmarks Nationalbank  
[www.statbank.dk/dnvpks](http://www.statbank.dk/dnvpks)

**Table 420** Share index

OMXC-index	2007	2008	2009
End of the year	end of 1995 =100		
<b>Total</b>	<b>447</b>	<b>228</b>	<b>301</b>
Energy	236	74	61
Materials	369	257	328
Manufacturing	539	259	330
Discretionary	238	79	120
Consumer goods	188	76	148
Health Care	699	515	611
Finance	523	188	292
ICT	395	211	284
Telecommunication	182	151	158
Utilities	2 004	552	497

Source: Copenhagen Stock Exchange  
[www.statbank.dk/mpk13](http://www.statbank.dk/mpk13)



Table 421		Yield on bonds		
		2007	2008	2009
		per cent p.a.		
<b>Yield</b>				
<b>Government bonds:</b>				
5 year:	End of year	4.23	3.25	3.07
	Annual average	4.22	4.14	3.05
10 year:	End of year	4.48	3.31	3.62
	Annual average	4.29	4.29	3.59
<b>Mortgage credit bonds:</b>				
20 year:	End of year	5.49	5.35	4.62
	Annual average	5.13	5.68	5.08
30 year:	End of year	5.61	6.21	5.19
	Annual average	5.44	6.09	5.53

Source: Danmarks Nationalbank

Table 422 Pension funds

	Intersectoral pension funds		Corporate pension funds	
	2007	2008	2007	2008
<b>Number of members</b>	<b>676 737</b>	<b>698 005</b>	<b>18 508</b>	<b>17 945</b>
Working members	576 598	590 181	7 356	6 794
Retired members	79 588	86 471	7 976	7 905
Retired spouses	12 389	12 920	2 340	2 406
Children who receive children's pension	8 162	8 433	836	840
	DKK mio			
<b>Current annual pension, total</b>	<b>7 861</b>	<b>13 995</b>	<b>1 689</b>	<b>1 952</b>
Pension for members	6 634	12 867	1 385	1 393
Pension for spouses	1 022	928	289	543
Pension for children	205	200	15	16
<b>Miscellaneous income</b>				
Member contributions	15 559	17 613	1 017	2 160
Of which extraordinary contributions	-	-	615	1 670
Interest income and profits	11 085	13 317	1 834	1 421
<b>Miscellaneous expenditure<sup>1</sup></b>				
Pensions	9 715	10 441	1 713	2 603
Retirement allowances	639	860	80	122
<b>Assets, total</b>	<b>412 251</b>	<b>395 954</b>	<b>43 027</b>	<b>42 714</b>
Central government bonds <sup>1</sup>	17 410	8 776	2 307	1 581
Local government bond <sup>1</sup>	1 659	2 292	271	...
Mortgage credit bonds, etc. <sup>1</sup>	80 203	93 993	18 468	21 874
Cash at bank and in hand	2 178	9 638	384	677
Mortgage credits	75	48	288	42
Loans with other collateral	3 506	17 441	144	1 642
Other assets	307 220	263 766	21 165	16 898
<b>Premium reserves</b>	<b>301 057</b>	<b>312 324</b>	<b>33 876</b>	<b>36 028</b>

Note: The financial year for certain pension funds does not coincide with the calendar year.

<sup>1</sup> Book value.

Source: Danish Financial Supervisory Authority

[www.statbank.dk/mpk49](http://www.statbank.dk/mpk49)

**Table 423 Discount rate of Danmarks Nationalbank**

Discount rate		Discount rate		Discount rate	
per cent					
<b>1994</b>		<b>1999</b>		<b>2006</b>	
6. January	6.00	4. February	3.25	3. March	2.50
19. January	5.75	9. April	2.75	9. Juni	2.75
18. February	5.50	5. November	3.00	4. August	3.00
15. April	5.25	<b>2000</b>		6. Oktober	3.25
13. May	5.00	4. February	3.25	8. December	3.50
<b>1995</b>		17. March	3.50	<b>2007</b>	
8. March	6.00	28. April	3.75	9. Marts	3.75
6. July	5.75	9. June	4.25	7. Juni	4.00
3. August	5.50	1. September	4.50	<b>2008</b>	
25. August	5.00	6. October	4.75	4. Juli	4.25
9. November	4.75	<b>2001</b>		8. Oktober	4.50
15. December	4.25	14. May	4.50	7. November	4.00
<b>1996</b>		31. August	4.25	5. December	3.50
25. January	4.00	18. September	3.75	<b>2009</b>	
7. March	3.75	9. November	3.25	16. Januar	2.75
19. April	3.25	<b>2002</b>		6. March	2.00
<b>1997</b>		6. December	2.75	3. April	1.75
10. October	3.50	<b>2003</b>		11. maj	1.40
<b>1998</b>		7. March	2.50	8. juni	1.20
6. May	4.00	6. June	2.00	14. august	1.10
29. May	3.75	<b>2005</b>		28. august	1.00
21. September	4.25	2. December	2.25	<b>2010</b>	
5. November	4.00			15. januar	0.75
4. December	3.50				

Source: Danmarks Nationalbank

[www.statbank.dk/disk](http://www.statbank.dk/disk)**Table 424 Exchange rates**

		Currency	2007	2008	2009
			DKK		
	Pound sterling	GBP	1 089.81	939.73	836.26
	Bulgarian lev	BGN	380.95	381.22	380.73
	Estonian kroon	EEK	47.62	47.65	47.59
	Icelandic krona	ISK	8.51	...	...
	Latvian lats	LVL	1 064.24	1 061.08	1 055.30
	Lituanian litas	LTL	215.78	215.94	215.66
	Norwegian krone	NOK	92.99	91.02	85.39
	Polish zloty	PLN	196.96	213.21	172.43
	Swiss franc	CHF	453.66	469.90	493.17
	Slovak koruna	SKK	22.06	23.89	...
	Swedish krona	SEK	80.57	77.73	70.18
	Czech koruna	CZK	26.85	29.93	28.21
	Hungarian forint	HUF	2.96	2.97	2.66
	EU common currency	EUR	745.06	745.60	744.63
	US dollars	USD	544.56	509.86	535.51
	Australian dollars	AUD	456.06	430.79	421.96
	Canadian dollars	CAD	508.24	479.15	469.81
	Hong Kong dollars	HKD	69.80	65.49	69.09
	Japanese yen	JPY	4.62	4.95	5.73
	Singapore dollars	SGD	361.21	359.70	368.09
	Effective rate of DKK 1980 = 100		103.20	105.80	107.79

Note: The rate is the annual average.

Source: Danmarks Nationalbank

[www.statistikbanken.dk/DNVALA](http://www.statistikbanken.dk/DNVALA)

Table 425 Life assurance companies

	2007	2008
<b>Number of companies</b>	<b>33</b>	<b>33</b>
<b>Profit and loss account</b>	————— DKK mio. —————	
<b>A: Insurance activities</b>		
+Premiums net of reinsurance	82 554	90 476
+Allocated investment return transferred from the technical account	10 315	-28 713
Receipts from insurance activities	92 869	61 763
÷Claims incurred, net of reinsurance	57 635	57 007
÷Change in life assurance provisions	25 380	3 626
÷Administrative expenses	4 455	4 697
÷Change in bonus equalization provisions	4 088	-698
+Result from sickness and accident insurance	387	976
Result from insurance activities	1 698	-1 893
<b>B: Investment activities</b>		
+Result from investment activities	11 128	-33 978
÷Tax on pensions yield	813	5 266
÷Allocated investment return transferred to the technical account	8 837	-39 073
÷Yield on investments carried forward to sickness and accident insurance	-	63
Result from investment activities	1 478	-234
<b>C: Total activities</b>		
+Result from primary operation	3 176	-2 127
+Other ordinary receipts, net	232	270
+Extraordinary receipts, net	0	0
÷Taxes	700	-518
Net result for the year	2 708	-1 339
<b>D: Increase in equity capital</b>		
+Net result of the year	2 708	-1 339
÷Dividends, etc.	8	13
Increase in equity capital, total	2 700	-1 352
Of which allocated to contingency reserve	...	...
<b>Balance sheets</b>		
<b>Assets total</b>	<b>1 054 186</b>	<b>1 119 221</b>
<b>A: Investment assets</b>		
Land and buildings	8 665	7 716
Bonds	542 861	646 380
Shares and other capital holdings	300 041	209 436
Loans	11 283	48 475
Other	24 832	28 658
<b>B: Other assets</b>	<b>166 504</b>	<b>178 556</b>
<b>Liabilities, total</b>	<b>1 054 186</b>	<b>1 119 221</b>
Equity capital	56 787	57 524
Provisions	951 753	959 483
Other liabilities	45 646	102 214

Source: Danish Financial Supervisory Authority

www.statbank.dk/mpk50 and mpk51

Table 426 Accounts of non-life insurance companies

	2007	2008
<b>Number of companies</b>	<b>118</b>	<b>113</b>
<b>Profit and loss account</b>	DKK mio.	
<b>A: Insurance activities</b>		
+Gross premiums written, net of reinsurese	49 725	50 570
+Technical interest	1 653	1 564
Receipts from insurance activities	51 378	52 134
÷Claims incurred, net of reinsurance	34 986	36 872
÷Administrative expenses	8 841	9 120
÷Other insurance technical items	904	705
Result from insurance activities	6 647	5 437
<b>B: Investment activities</b>		
+Result from investment activities	7 864	-2 268
<b>C: Total activities</b>		
Result from primary operation	14 510	3 169
+Other ordinary receipts, net	-3 569	-3 893
+Extraordinary receipts, net	774	851
÷Taxes	2 312	872
Net result for the year	9 404	-744
<b>D: Increase in equity capital</b>		
Net result for the year	8 630	1 749
+Balancing items	3 080	-904
+Capital injection	21	-1
Increase, total	11 731	844
÷Dividends, etc.	5 122	-1 058
Increase in equity capital, total	6 609	1 902
Of which allocation to contingency reserve	...	...
<b>Balance sheets</b>		
<b>Assets, total</b>	<b>163 705</b>	<b>154 499</b>
<b>A: Investment assets</b>		
Land and buildings	5 175	5 434
Bonds	85 076	84 041
Shares and other capital holdings	46 076	38 879
Loans	479	487
Other	5 160	4 978
<b>B: Other assets</b>	21 739	20 680
<b>Liabilities, total</b>	<b>163 705</b>	<b>154 499</b>
Equity, total	68 169	60 707
Provisions	82 004	78 827
Other liabilities	13 532	14 965

Source: Danish Financial Supervisory Authority

[www.statbank.dk/mpk52](http://www.statbank.dk/mpk52) and [mpk53](http://www.statbank.dk/mpk53)

Table 427 Non-life insurance by type

	Premiums		Compensation	
	2007	2008	2007	2008
	DKK mio.			
<b>Total</b>	<b>53 457</b>	<b>53 797</b>	<b>38 066</b>	<b>37 672</b>
<b>Total commercial insurance</b>	<b>16 705</b>	<b>17 331</b>	<b>13 295</b>	<b>10 966</b>
Workmen's compensation	4 525	4 887	3 718	3 100
Buildings	4 569	4 730	4 606	3 114
Contents (other than stock and machinery)	3 282	3 377	2 424	2 253
Professional liability	1 702	1 773	774	899
Marine and transport	1 528	1 722	1 154	1 086
Aviation	368	1	143	0
Other commercial insurance	731	841	476	513
<b>Total private insurance</b>	<b>10 174</b>	<b>10 790</b>	<b>7 901</b>	<b>9 048</b>
Householder's comprehensive	3 671	3 750	2 707	3 093
Homeowner's comprehensive	4 610	4 961	3 878	4 330
Weekend cottages	600	644	373	492
Change of ownership insurance	381	392	436	481
Other private insurance	912	1 043	507	652
<b>Total personal accident insurance</b>	<b>10 245</b>	<b>9 466</b>	<b>7 188</b>	<b>7 169</b>
Health insurance	572	737	521	773
Single accident and sickness	9 020	7 640	6 297	5 616
Professional disability	653	1 089	370	780
<b>Total motor vehicle insurance</b>	<b>14 667</b>	<b>15 014</b>	<b>8 370</b>	<b>9 736</b>
Third-party liability	6 235	6 285	3 320	3 853
Vehicle (own damage)	8 432	8 729	5 050	5 883
<b>Credit and suretyship</b>	<b>429</b>	<b>210</b>	<b>28</b>	<b>31</b>
<b>Touristassistance and Legal aid insurance</b>	<b>335</b>	<b>417</b>	<b>249</b>	<b>307</b>
<b>Total direct business</b>	<b>52 556</b>	<b>53 229</b>	<b>37 031</b>	<b>37 256</b>
<b>Total indirect business</b>	<b>902</b>	<b>569</b>	<b>1 035</b>	<b>415</b>

Note: Premiums and claims are listed as reserve regulating gross amounts. Indirect business is the reinsurance received, which each insurance company has taken over from other insurance companies.

Source: Danish Financial Supervisory Authority  
[www.statbank.dk/mpk54](http://www.statbank.dk/mpk54)