

Money and credit market

The money and credit markets

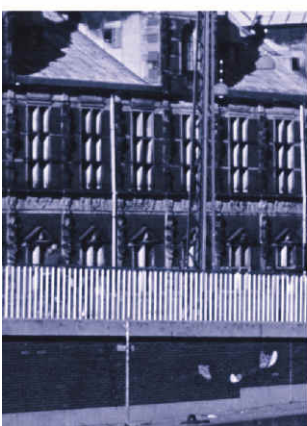
Interest rate and price changes

Securities

Banks and mortgage-credit institutes

Other financial intermediaries

Insurance companies and pension funds



The money and credit markets

Capital transfers from lenders to borrowers

A capital market is a market where financial products are traded, such as 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.

A smooth payment mechanism

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.

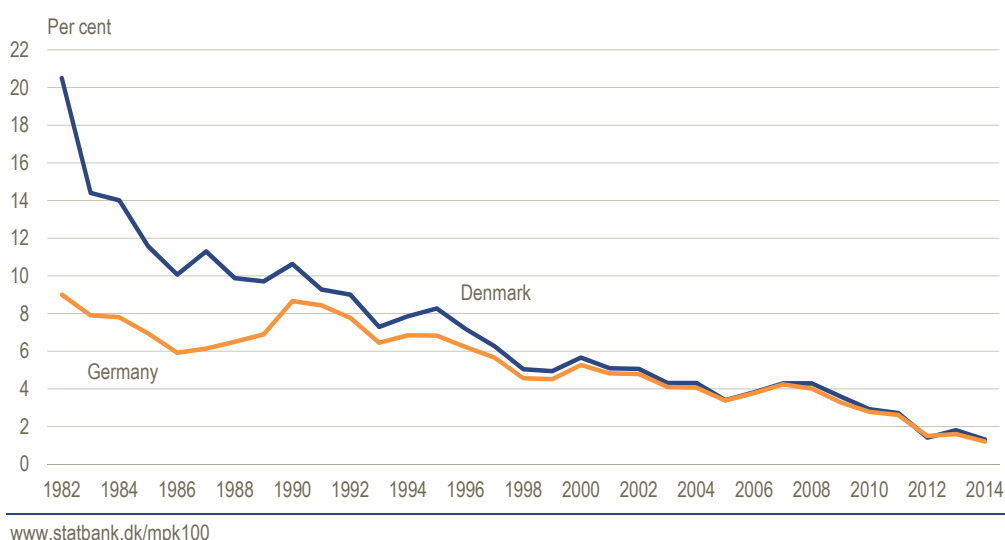
Interest rate and price changes

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 fixed 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. This difference has diminished until the beginning of the 1990's after which the two interest rates have developed in parallel. In 2014 the Danish long-term bond interest rate was 1.3 per cent and the German long-term bond interest rate 1.2 per cent.

Figure 1 Interest rate on 10-year government bonds



Long-term interest rate reached 21 per cent in 1982

The interest on a financial claim reflects the lender's compensation providing capital. 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 CIBOR interest rate is applied as an indicator of the short-term interest rate, while the interest rate on ten-year government bonds often is the indicator of the long-term interest rate.

The short-term interest rate can be affected 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 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.

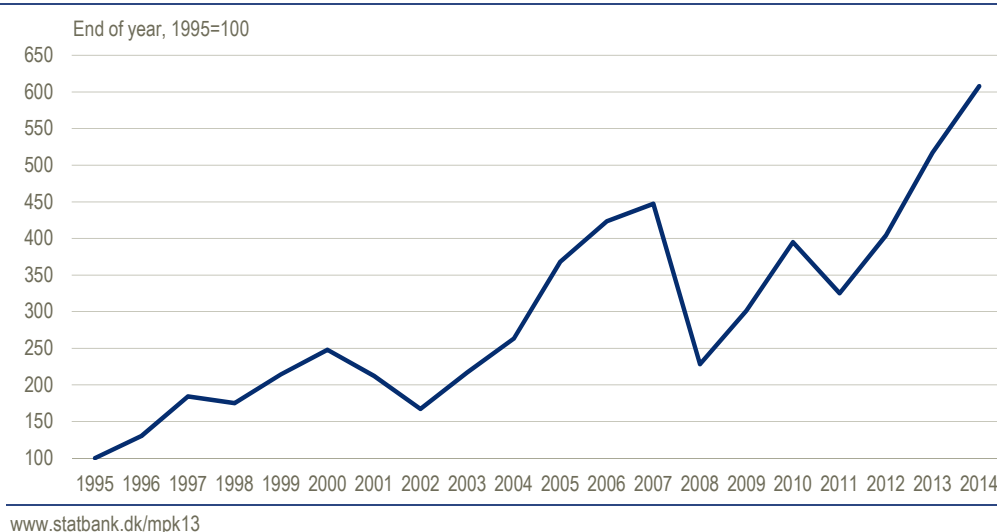
In 1982, the short-term interest rate was as high as 21 per cent per annum, partly because of high inflation expectations.

Shares are risky investments

A share is a certificate of ownership of a company. The value of the share depends above all on the expected 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 2014, 148 companies were listed on the Stock Exchange.

Figure 2 OMXC, index of all listed shares at market value



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 CAP, 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. However widespread decreases in the stock markets are observable in the Danish indices. The sharp drop in 2008 followed the financial crisis which started in October 2008 and the European Debt crisis has contributed to the latest widespread decrease in the markets. Since 2012 the stock markets worldwide has regained the losses from the latest crises.

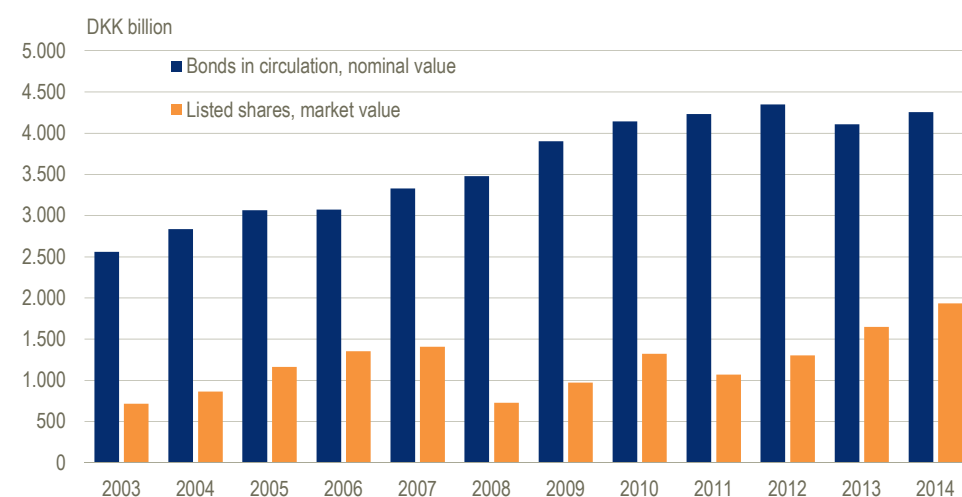
Securities

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 Europe¹. 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 2014, about 22 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, 19 per cent of mortgage bonds were held by foreigners at the end of 2014 compared to about 5 per cent in 1996.

Figure 3 Shares and bonds traded on the Copenhagen Stock Exchange



www.statbank.dk/dnvpdkb

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

Banks and mortgage-credit institutes

The Central Bank purchased foreign currency to keep the krone rate stable

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.

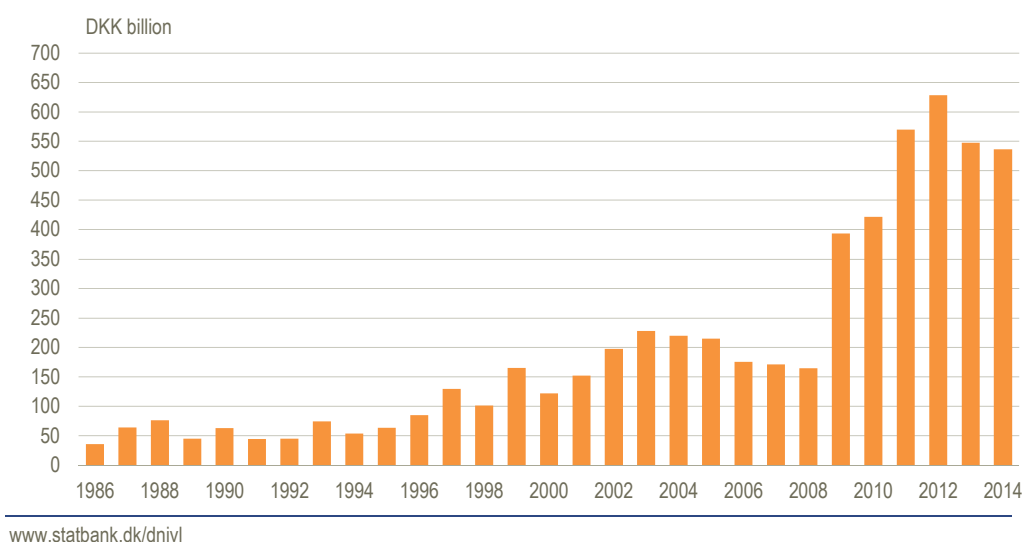
Danmarks Nationalbank trades in the foreign exchange market with a view to stabilize the krone rate through purchases and sales of foreign currency against Danish kroner. Thus, the primary purpose of foreign exchange reserves is to enable Danmarks Nationalbank to use intervention as a tool to maintain 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. In the period 2003 – 2008 the volume of the foreign exchange reserves decreased.

Marked increase in foreign exchange reserves in recent years

In the latest period the volume has increased, because of the difference in interest rates between Denmark and especially the Euro-area. As the interest rates have fallen in general, even small differences have made it attractive for foreign investors to invest in Danish securities. This has increased the demand for Danish kroner. The Central Bank has purchased foreign currency in order to stabilize the exchange rate.

Figure 4 Foreign exchange reserve



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. In the agreement called ERM II (Exchange Rate Mechanism II) Denmark is accompanied by Lithuania. The purpose of ERM II is to retain the exchange rates within the agreed fluctuation band on +/- 15 per cent in relation to the central rate. Denmark has a narrower fluctuation band on +/- 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.

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.

Figure 5 Dankort (debit card) sales and notes and coins in circulation

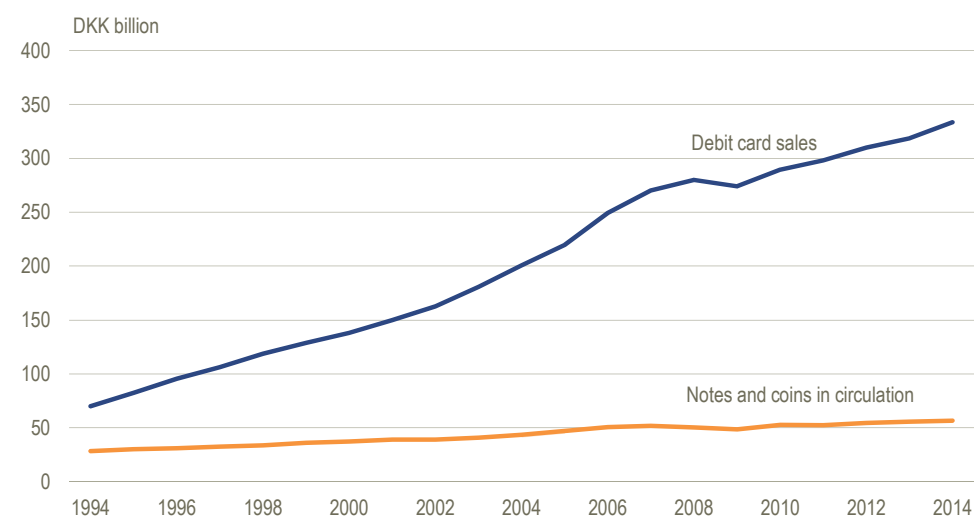


Table 321 and 323

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.

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.

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

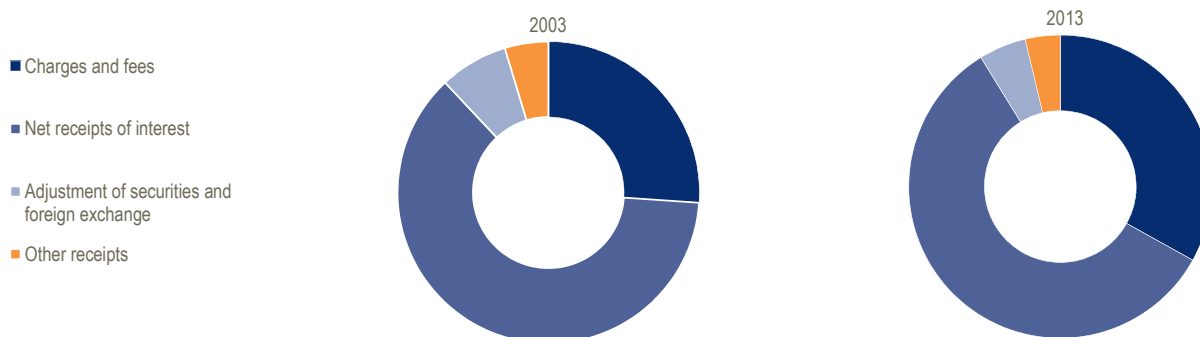
Few large and many small banks

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 2013, 88 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, a significant proportion of the banks' earnings derive from charges and fees.

Figure 6

The banks' earnings by type



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 seven players in the market. The lending activity is primarily influenced by the development in interest rates. Upward or downward fluctuations will trigger waves of remortgaging, where borrowers seek to convert their loans to obtain more favourable terms.

Other financial intermediaries

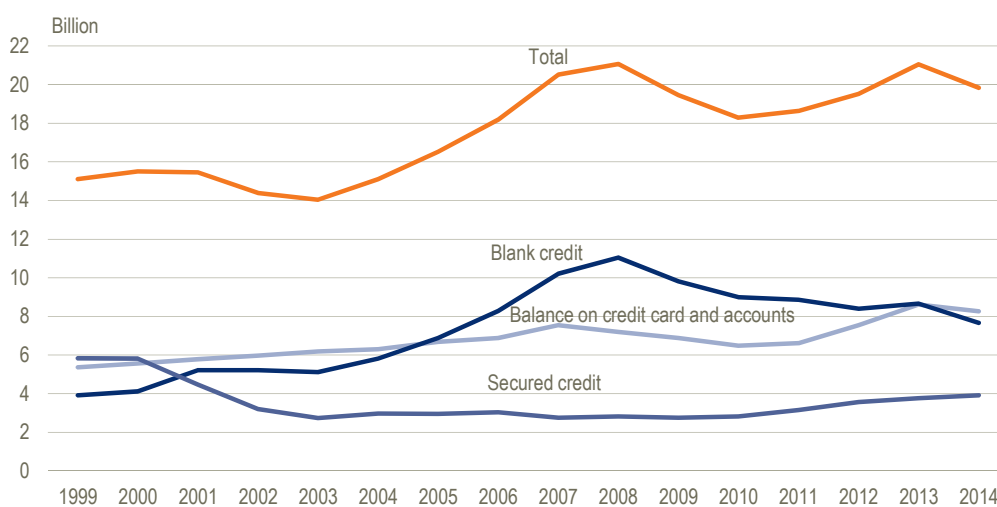
Consumer credit

In addition to banks and mortgage credit institutes, credit is offered to Danish consumers by finance companies. There was a sharp increase in total consumer credit until the beginning of the global financial crisis in 2008. Over a 5-year period con-

sumer credit increased by 50 per cent from DKK 14 billion by the end of 2003 to DKK 21 billion by the end of 2008.

The increase was primarily boosted by the Danes' use of blank credit, which is an unsecured personal loan. The use of blank credit has been steadily falling since the global financial crisis. In the period from 2011 to 2013 the total consumer credit has increased again. This is mainly due to increased withdrawals from retailer credit cards and account cards, which cover all types of lending to which a secured or unsecured retailer credit card or account card is attached. In 2014 the total consumer credit decreased. A large part of the drop is due to a change in the number of companies in the sector for non-bank consumer credit companies.

Figure 7 Consumer credit, end of year



www.statbank.dk/mpk30

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 837 billion at the end of 2013.

Insurance companies and pension funds

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.

Table 309 Owners of quoted shares and unit trust certificates. 2014

Share prices. end of year	Non-financial corporations			Financial corporations	Foreigns corporations	Total
	Manufacturing. etc.	Transport. postal services and telecommunications	Other corporations			
Owners ¹						
	DKK billion					
Total	765.5	106.6	716.3	1 463.2	52.4	3 104.0
Non-financial corporations	107.0	8.0	244.1	153.0	3.0	515.1
Financial corporations	29.0	12.3	64.2	205.4	20.1	331.0
Insurance and pension funds corporations	7.8	3.1	15.8	421.9	4.3	452.9
General government	0.0	0.0	9.3	20.3	0.7	30.3
Households ²	110.7	10.8	86.7	447.0	16.3	671.5
Non-profit institutions serving households	13.2	0.5	5.0	23.5	0.8	43.0
Abroad	0.4	0.2	2.8	7.0	1.2	11.6
Sector unknown	497.2	71.8	288.4	185.1	6.1	1 048.5

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

Source: Danmarks Nationalbank
www.statbank.dk/dnrvpdk

Table 310 Share index

OMXC-index	2013	2014
End of the year	end of 1995 =100	
Total	517	608
Energy	25	35
Materials	1 092	1 619
Manufacturing	421	425
Discretionary	74	80
Consumer goods	196	177
Health Care	1 648	2 106
Finance	366	459
ICT	740	627
Telecommunication	170	153
Utilities	217	135

Source: Copenhagen Stock Exchange
www.statbank.dk/mpk13

Table 311 Quoted bonds in circulation by holder sector. 2014

Nominal value at the end of the year	Central government bonds, etc.	Bonds issued by mortgage banks etc. ¹	Other quoted bonds ²	Total
DKK mio.				
Total	673 653	3 138 075	174 730	3 986 458
Non-financial corporations	3 741	111 285	10 617	125 643
Financial corporations	103 005	1 794 047	80 282	1 977 334
Monetary financial institutions	25 632	1 302 882	38 128	1 366 642
Other financial institutions	77 373	491 165	42 154	610 692
Insurance and pension funds corporations	254 057	512 089	28 242	794 388
General government	65 690	55 125	18 116	138 931
Central government	65 355	17 850	12 153	95 358
Local government	318	36 571	5 932	42 821
Social security funds	17	705	31	753
Households	1 617	35 965	12 656	50 238
Non-profit institutions serving households	594	18 881	950	20 425
Sector unknown	962	14 214	1 630	16 806
Abroad	243 988	596 469	22 238	862 695

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

Source: Danmarks Nationalbank
www.statbank.dk/dnvpdks

Table 312 Financial sector, main figures

	2012			2013		
	Balance	Companies	Employees	Balance	Companies	Employees
	DKK bio.	number		DKK bio.	number	
Total	11 926	407	62 682	11 621	379	61 868
Banks	4 262	96	40 492	3 833	88	39 037
Mortgage banks	3 513	8	4 493	3 566	7	4 420
The ship Credit fund of Denmark	83	1	60	67	1	61
Securities and broking companies	2	40	481	3	43	541
Investment trusts	723	85	...	835	84	...
Investment funds (big) ¹	0.7	4	205	0.7	4	206
Investment funds (small) ¹	0.6	10	222	1.1	11	236
Non-life insurance companies	177	85	11 934	175	76	11 823
Life insurance companies	1 682	27	3 675	1 757	21	3 337
Non-occupational pension funds	565	20	226	585	18	217
Company pension funds	57	27	33	53	23	32
ATP, LD, AES and SP	860	4	861	745	3	1 958

¹ Large - with licence to carry out securities trading activities. Small - without licence to carry out securities trading activities.

Source: Danish Financial Supervisory Authority
www.statbank.dk/mpk55

Table 313 Profit and loss account and balance sheet of Danmarks Nationalbank

	2013	2014
	DKK mio.	
Profit and loss account		
Net interest receivable	3 221	3 916
Market value adjustment	-9 166	3 428
Dividend on investments	132	191
Other income	123	5
Costs including depreciation	-629	-575
Net profit of the year	-6 319	6 965
Balance sheet		
Assets, total	547 225	536 473
Stock of gold	13 915	15 707
Special drawing rights in the IMF	20 017	19 543
Foreign assets	443 188	425 651
Lending	25 620	37 583
Securities	35 025	34 490
Other assets	9 460	3 499
Liabilities, total	547 225	536 473
Notes in circulation	60 681	61 459
Coin in circulation	5 810	5 888
Allocations of Special Drawing Rights	12 773	13 575
Foreign liabilities	3 125	3 345
Deposits	238 258	163 537
Other liabilities	242	5 644
The Central Government's current account	163 376	214 869
Equity capital	62 960	68 156

Source: Danmarks Nationalbank
www.statbank.dk/mpk38

Table 314 Discount rate of Danmarks Nationalbank

Discount rate		Discount rate		Discount rate	
per cent					
1995		17. march	3.50	7. june	4.00
8. march	6.00	28. april	3.75	2008	
6. july	5.75	9. june	4.25	4. july	4.25
3. august	5.50	1. september	4.50	8. october	4.50
25. august	5.00	6. october	4.75	7. november	4.00
9. november	4.75	2001		5. december	3.50
15. december	4.25	14. may	4.50	2009	
1996		31. august	4.25	16. january	2.75
25. january	4.00	18. september	3.75	6. march	2.00
7. march	3.75	9. november	3.25	3. april	1.75
19. april	3.25	2002		11. may	1.40
1997		6. december	2.75	8. june	1.20
10. october	3.50	2003		14. august	1.10
1998		7. marts	2.50	28. august	1.00
6. may	4.00	6. june	2.00	2010	
29. may	3.75	2005		15. january	0.75
21. september	4.25	2. december	2.25	2011	
5. november	4.00	2006		7. april	1.00
4. december	3.50	3. march	2.50	8. july	1.25
1999		9. june	2.75	4. november	1.00
4. february	3.25	4. august	3.00	9. december	0.75
9. april	2.75	6. october	3.25	2012	
5. november	3.00	8. december	3.50	1. june	0.25
2000		2007		6. july	0.00
4. february	3.25	9. march	3.75		

Source: Danmarks Nationalbank
www.statbank.dk/disk

Table 315 Profit and loss account and balance sheet of Danish banks

End of year	2012	2013
Number of banks	96	88
Antal ansatte, ultimo året	40 492	39 037
	----- DKK mio. -----	
Profit and loss account		
+Interest income	90 010	79 332
÷Interest expenses	39 525	32 216
Net income from interest, net	50 069	47 116
+Share dividends	1 170	2 482
+Charges and commissions income	25 712	26 971
÷Charges and commissions expenses	6 138	6 351
Net income from charges and commissions	70 673	70 217
+Revaluation of securities and foreign exchange	8 027	4 091
+Other ordinary income	3 732	3 018
Profit/loss on financial items	82 403	77 326
÷Staff and administrative expenses	48 800	47 030
÷Depreciation of tangible and intangible assets	4 102	3 320
÷Other operating expenses	1 088	1 551
÷Depreciations and provisions, net	27 370	17 031
+Adjustments of shares	6 041	7 773
Profit/loss on ordinary activities	7 398	16 167
+Extraordinary receipts, net	0	0
Profit/loss before tax	7 398	16 167
÷Tax	3 595	2 777
Profit/loss for the year	3 803	13 390
Balance sheets		
Assets, total	4 246 445	3 799 662
Claims on credit institutions, etc.	536 295	412 426
Loans	1 762 094	1 679 328
Bonds, etc.	1 001 907	1 002 261
Shares, etc.	29 077	35 473
Holdings in associated and affiliated enterprises	143 637	141 967
Intangible assets	25 627	25 288
Tangible assets	16 190	15 349
Other assets	731 618	487 570
Liabilities, total	4 246 445	3 799 662
Liabilities to credit institutions, etc.	800 135	659 718
Deposits	1 724 163	1 738 971
Issued bonds, etc.	389 903	310 814
Other liabilities, accruals and deferred income	945 991	697 492
Provisions for liabilities and charges	6 689	11 864
Capital deposits	107 104	99 681
Equity capital	272 459	281 122

Note: Excluding the banks in Greenland.

Source: Danish Financial Supervisory Authority

www.statbank.dk/mpk39

Table 316 Banks' domestic lending and deposits. 2014

	Deposits ¹	Lending ¹
	— mio. kr. —	
Total	1 586 536	1 325 575
Agriculture, forestry and fishing	22 229	71 617
Mining and quarrying	1 417	570
Manufacturing	39 554	64 208
Electricity, gas, steam and air conditioning supply	9 746	13 623
Water supply, sewerage and waste management	4 924	2 826
Construction	19 623	19 689
Wholesale and retail trade	41 520	67 380
Transportation and storage	16 692	21 758
Accommodation and food service activities	4 106	7 310
Information and communication	20 414	9 431
Financial and insurance activities	451 221	395 247
Real estate activities	63 305	116 452
Professional, scientific and technical activities	56 578	28 879
Administrative and support activities	11 435	18 949
Public administration and defence	11 592	36 677
Education	7 563	2 969
Human health and social work activities	18 345	7 058
Arts, entertainment and recreation	5 952	3 514
Other service activities	25 236	5 940
Activities of households as employers	172	572
Activities of extra-territorial organisations and bodies	375	4
Households	753 744	430 897
Activity not stated	795	5

¹ Outstanding at the end of year.

Source: Danmarks Nationalbank

Table 317 Long-term savings schemes with deposit accounts of Danish banks

End of year	2012	2013	Percentage change in relation to previous year
	— DKK mio. —		per cent
Specific deposit accounts, total	220 386	220 390	0.0
Index-linked pension savings	7 192	6 544	-9.0
Capital-pension accounts	98 486	88 771	-9.9
Savings accounts for children	13 327	14 010	5.1
Private pension schemes	1 661	1 516	-8.7
Investment-fund accounts	1	1	-0.7
Business establishment savings	764	811	6.1
Home-savings contracts	356	340	-4.6
Instalment-pension accounts	91 632	101 341	10.6
Savings accounts for education	73	58	-21.2
Premium lottery accounts	6 866	6 974	1.6
Market fluctuation adjustment accounts	28	24	-14.5

Source: Danish Financial Supervisory Authority

www.statbank.dk/mpk43

Table 318 Mortgage banks

	2012	2013
Number of institutions	8	7
	DKK mio.	
Profit and loss account		
+Interest income	102 135	94 385
÷Interest xpenses	81 862	73 411
Net income from interest	20 273	20 974
+Charges and commissions receivable	-1 521	-2 134
Net income from charges and commissions	18 752	18 839
÷Expenditure of the personnel administration and other operating expenses	4 860	5 111
÷Depreciation and provisions on loans	4 677	5 674
+Adjustment of capital interest	-283	65
+Other ordinary receipts	70	72
Profit/loss on ordinary activities	9 002	8 190
+Extraordinary receipts (net)
÷Tax	1 998	1 758
Profit/loss for the year	7 004	6 433
Balance sheets		
Assets, total	3 512 976	3 565 792
Claims on credit institutions, etc.	680 826	717 550
Loans	2 583 077	2 582 434
Bonds and shares, etc.	185 826	205 709
Holdings in associated and affiliated enterprises	31 596	32 290
Intangible assets	3 681	3 021
Tangible assets	621	625
Other assets	27 349	24 163
Liabilities, total	3 512 976	3 565 792
Liabilities to credit institutions	660 380	669 549
Issued bonds, etc.	2 574 113	2 613 513
Other liabilities, accruals and deferred income	99 895	102 419
Provisions for liabilities and charges	1 057	876
Capital deposits	19 392	16 914
Equity capital	158 140	162 521

Source: Danish Financial Supervisory Authority
www.statbank.dk/mpk47

Table 319 Major finance companies, factoring and other loans

	Total activities		Status	
	2012	2013	Ult. 2012	Ult. 2013
	DKK mio.			
Factoring	30 030	24 287	5 292	5 520
Other loans	19 467	23 179	43 775	51 276

Source: Individual finance company
www.statbank.dk/mpk57

Table 320 Major finance companies, leasing

	2012	2013
Activities in the year	DKK mio.	
Total	18 606	15 426
Industrial equipment	3 337	3 049
Edp and office equipment	2 040	1 560
Lorries and vans	6 486	5 420
Passengercars	4 061	3 484
Vessels, aircraft, railway material	14	21
Buildings	490	462
Other	2 178	1 429
Status at end of year	45 878	38 364

Source: Individual finance company
www.statbank.dk/mpk31

Table 321 Life assurance companies

	2012	2013
Number of companies	27	21
Profit and loss account	————— DKK mio. —————	
A: Insurance activities		
+ Premiums net of reinsurance	103 822	105 224
+ Allocated investment return transferred from the technical account	120 975	39 764
Receipts from insurance activities	224 797	144 988
± Claims incurred, net of reinsurance	76 042	95 058
± Change in life assurance provisions	136 836	37 360
± Administrative expenses	4 605	4 484
± Change in bonus equalization provisions	4 333	5 533
+ Result from sickness and accident insurance	137	96
Result from insurance activities	3 118	2 649
B: Investment activities		
+ Result from investment activities	140 419	46 143
± Tax on pensions yield	19 445	6 379
± Allocated investment return transferred to the technical account	114 066	37 488
± Yield on investments carried forward to sickness and accident insurance	4 281	1 148
Result from investment activities	2 627	1 128
C: Total activities		
+ Result from primary operation	5 745	3 777
+ Other ordinary receipts, net	1 431	866
+ Extraordinary receipts, net	0	0
± Taxes	1 820	744
Net result for the year	5 356	3 899
D: Increase in equity capital		
+ Net result of the year	5 356	3 899
± Dividends, etc.	664	792
Increase in equity capital, total	4 692	3 107
Balance sheets		
Assets total	1 681 570	1 756 780
A: Investment assets		
Land and buildings	3 125	3 210
Bonds	519 051	470 018
Shares and other capital holdings	414 099	443 337
Loans	85 825	64 373
Other	24 332	19 320
B: Other assets	635 138	756 522
Liabilities, total	1 681 570	1 756 780
Equity capital	62 671	58 068
Provisions	1 440 751	1 491 270
Other liabilities	178 148	207 442

Source: Danish Financial Supervisory Authority
www.statbank.dk/mpk50 and mpk51

Table 322 Accounts of non-life insurance companies

	2012	2013
Number of companies	85	76
Profit and loss account	DKK mio.	
A: Insurance activities		
+Gross premiums written, net of reinsurance	53 125	52 001
+Technical interest	143	139
Receipts from insurance activities	53 268	52 140
+Claims incurred, net of reinsurance	36 997	36 944
+Administrative expenses	9 204	9 389
+Other insurance technical items	883	547
Result from insurance activities	6 184	5 260
B: Investment activities		
+Result from investment activities	7 007	5 088
C: Total activities		
Result from primary operation	13 191	10 348
+Other ordinary receipts, net	-1 055	-876
+Extraordinary receipts, net	1	867
+Taxes	2 190	1 490
Net result for the year	9 947	8 849
D: Increase in equity capital		
Net result for the year	9 947	8 849
+Balancing items	2 358	2 424
+Capital injection	44	30
Increase, total	12 349	11 303
+Dividends, etc.	5 044	3 032
Increase in equity capital, total	7 305	8 271
Balance sheets		
Assets, total	177 060	175 386
A: Investment assets		
Land and buildings	5 110	5 001
Bonds	96 880	88 392
Shares and other capital holdings	48 594	51 696
Loans	226	425
Other	837	803
B: Other assets	25 413	29 069
Liabilities, total	177 060	175 386
Equity, total	68 545	68 942
Provisions	91 680	89 002
Other liabilities	16 835	17 442

Source: Danish Financial Supervisory Authority
www.statbank.dk/mpk52 and mpk53

Table 323 Non-life insurance by type

	Premiums		Compensation	
	2012	2013	2012	2013
	DKK mio.			
Total	59 746	58 989	41 022	43 833
Total commercial insurance	16 103	15 775	10 147	11 940
Workmen's compensation	3 458	3 068	1 899	1 797
Buildings	5 202	5 320	3 814	5 066
Contents (other than stock and machinery)	3 007	2 932	1 602	2 062
Professional liability	2 023	2 061	1 296	1 601
Marine and transport	1 393	1 260	821	705
Aviation	4	3	2	4
Other commercial insurance	1 017	1 131	713	704
Total private insurance	14 635	14 874	11 170	11 728
Householder's comprehensive	4 698	4 843	3 820	3 734
Homeowner's comprehensive	6 437	6 487	4 783	5 514
Weekend cottages	783	800	626	540
Change of ownership insurance	334	355	335	271
Other private insurance	2 383	2 389	1 606	1 670
Total personal accident insurance	10 434	9 870	7 669	7 330
Health insurance	1 246	1 275	901	921
Single accident and sickness	8 763	8 392	6 454	6 246
Professional disability	424	203	315	164
Total motor vehicle insurance	16 511	16 304	10 739	10 797
Third-party liability	6 234	5 860	4 494	4 494
Vehicle (own damage)	10 277	10 445	6 244	6 302
Credit and suretyship	359	372	289	906
Touristassistance and Legal aid insurance	1 065	1 140	669	710
Total direct business	59 107	58 335	40 682	43 410
Total indirect business	638	653	340	423

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

Table 324 Pension funds

	Intersectoral pension funds		Corporate pension funds	
	2012	2013	2012	2013
Number of members	705 233	739 184	15 494	13 584
Working members	578 905	600 039	4 312	3 626
Retired members	105 487	116 882	8 114	7 128
Retired spouses	12 685	14 105	2 210	2 050
Children who receive children's pension	8 156	8 158	858	780
	DKK mio			
Current annual pension, total	8 668	8 734	8 893	8 561
Pension for members	7 834	7 690	7 853	7 494
Pension for spouses	677	882	1 025	1 053
Pension for children	157	162	15	14
Miscellaneous income				
Member contributions	20 071	20 820	677	300
Of which extraordinary contributions	1 387	1 413	293	35
Interest income and profits	10 700	12 863	1 730	2 269
Miscellaneous expenditure¹				
Pensions	12 570	13 819	1 776	1 670
Retirement allowances	1 310	1 428
Assets, total	565 033	585 232	57 381	52 661
Central government bonds ¹	14 113	15 604	8 139	8 330
Other bonds ¹	1 948	2 164	14 055	19 578
Mortgage credit bonds, etc. ¹	83 598	69 468	19 671	11 294
Cash at bank and in hand	3 358	2 120	1 907	866
Mortgage credits	14	9	0	0
Loans with other collateral	55 824	49 534	1	0
Other assets	406 178	446 333	13 608	12 593
Premium reserves	387 917	400 683	43 799	38 972

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

¹ Book value.

Source: Danish Financial Supervisory Authority

www.statbank.dk/mpk49

Table 325 Denmark's gold and foreign exchange reserve

End of year	2013	2014
	DKK billion	
Danmarks Nationalbanks gold stock	13.9	15.7
Danmarks Nationalbanks foreign assets	443.2	425.7
Claims on the International Valuta Fund	20.0	19.5
Other assets	70.1	75.6
The foreign exchange reserve	547.2	536.5

Source: Danmarks Nationalbank

Table 326 Money stock

	2013	2014
	DKK billion	
Money stock	1 024.8	1 081.8
Notes and coins outside the banking sector	55.8	56.5
Deposit in banks and savings banks	969.0	1 025.3
-Demand deposits	823.7	884.5
-Agreement deposits ¹	145.3	140.8

¹ Includes, e.g. deposits at notice and time deposits.

Source: Danmarks Nationalbank

Table 327 Consumer credit

End of year	2013	2014
	DKK mio.	
Total	21 042	19 842
Balance on credit and account cards	8 614	8 271
Of which, petrol companies	1 410	1 519
Blank credit	8 666	7 659
Secured credit	3 763	3 912

Source: Each individual financing company
and credit card company
www.statbank.dk/mpk30

Table 328 Danish electronic payment card system

	2002	2007	2012	2013	2014
	thousands				
Number of cards	3 290	3 859	4 794	4 921	5 288
Transaction	467 628	733 230	975 377	1 032 171	1 113 270
	DKK mio.				
Turnover	157 483	266 561	309 876	318 800	333 581

Source: NETS
www.statbank.dk/mpk41

Table 329 Exchange rates

Currency		2013	2014
		DKK	
Pound sterling	GBP	878.14	925.11
Bulgarian lev	BGN	381.33	381.16
Lituanian litas	LTL	216.00	215.90
Norwegian krone	NOK	95.69	89.31
Polish zloty	PLN	177.67	178.17
Swiss franc	CHF	605.87	613.78
Swedish krona	SEK	88.24	81.99
Czech koruna	CZK	28.73	27.07
Hungarian forint	HUF	2.51	2.42
EU common currency	EUR	745.80	745.47
US dollars	USD	561.60	561.90
Australian dollars	AUD	543.62	506.81
Brazilian real	BRL	261.32	239.09
Canadian dollars	CAD	545.44	508.83
Hong Kong dollars	HKD	72.40	72.46
Japanese yen	JPY	5.77	5.32
Chinese yuan renminbi	CNV	91.34	91.24
Singapore dollars	SGD	448.85	443.48
Effective rate of DKK 1980 = 100		102.39	103.26

Note: The rate is the annual average.

Source: Danmarks Nationalbank
www.statbank.dk/DNVALA