

Money and credit market

The money and credit markets

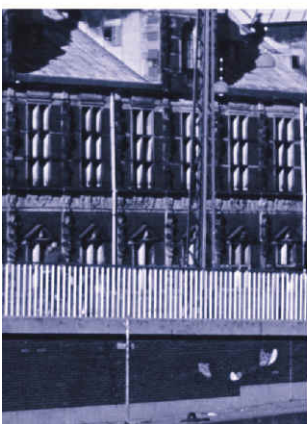
Interest rate and price changes

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.

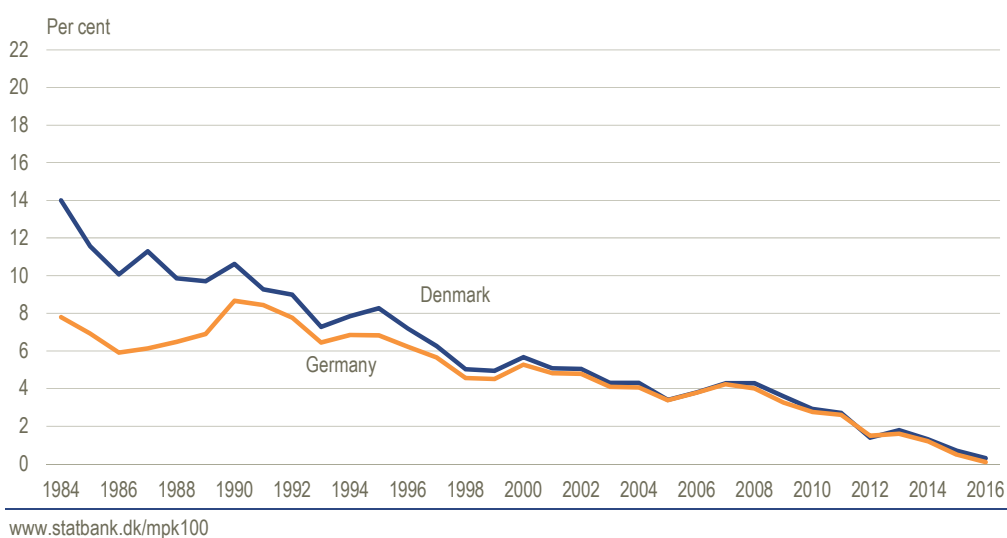
Interest rate and price changes

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 2016 the Danish long-term bond interest rate was 0.3 per cent and the German long-term bond interest rate 0.1 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.

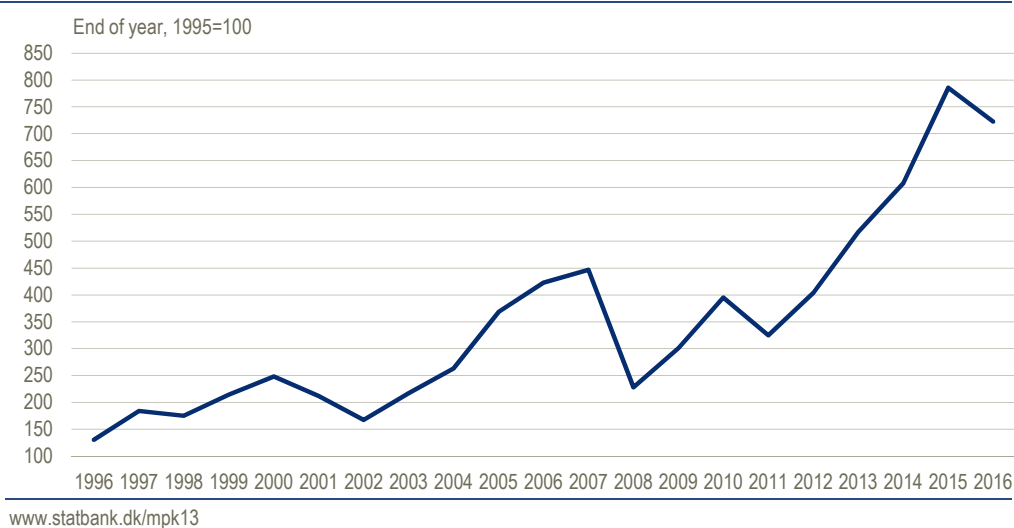
In 1982, the short-term interest rate was as high as 21 per cent per annum, partly because of high inflation expectations.

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 for listed companies 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 2016, 140 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 2016, about 23 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, 22 per cent of mortgage bonds were held by foreigners at the end of 2016 compared to about 5 per cent in 1996.

Figure 3 Shares and bonds traded on the Copenhagen Stock Exchange



www.statbank.dk/dnvpdks

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.

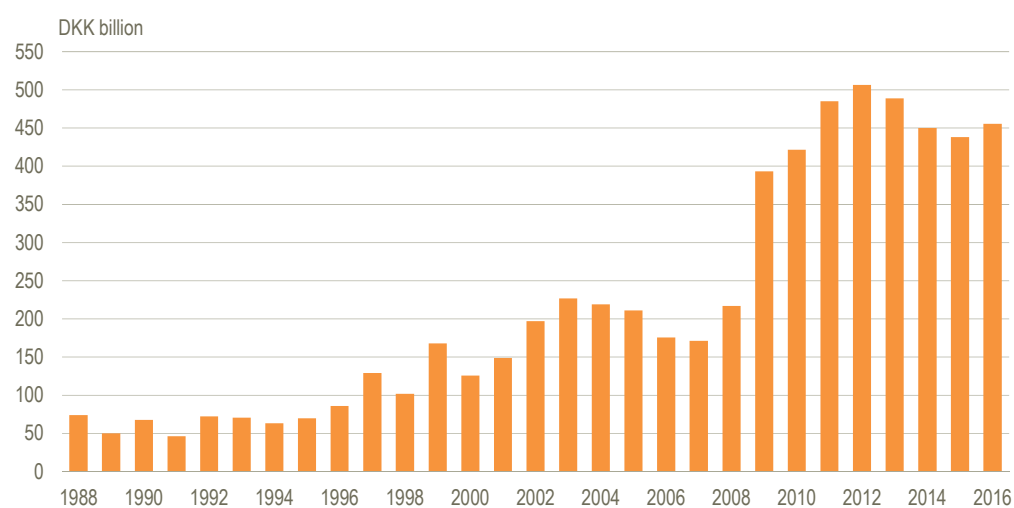
Danmarks Nationalbank trades in the foreign exchange market with a view to stabilize the krone rate through purchases and sales of foreign currency against Danish kroner. Thus, the primary purpose of foreign exchange reserves is to enable Danmarks Nationalbank to use intervention as a tool to maintain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



Source data: Danmarks Nationalbank.

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

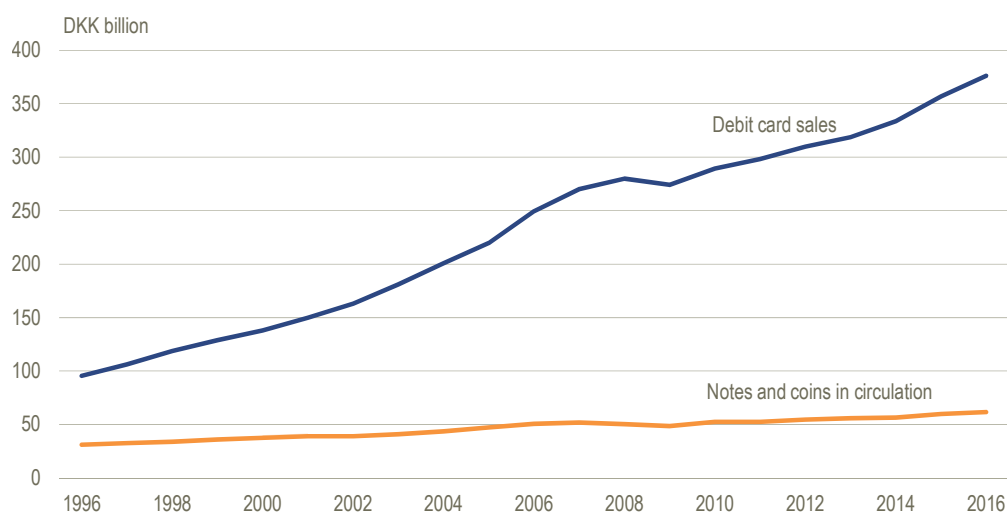


Table 321 and 323

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

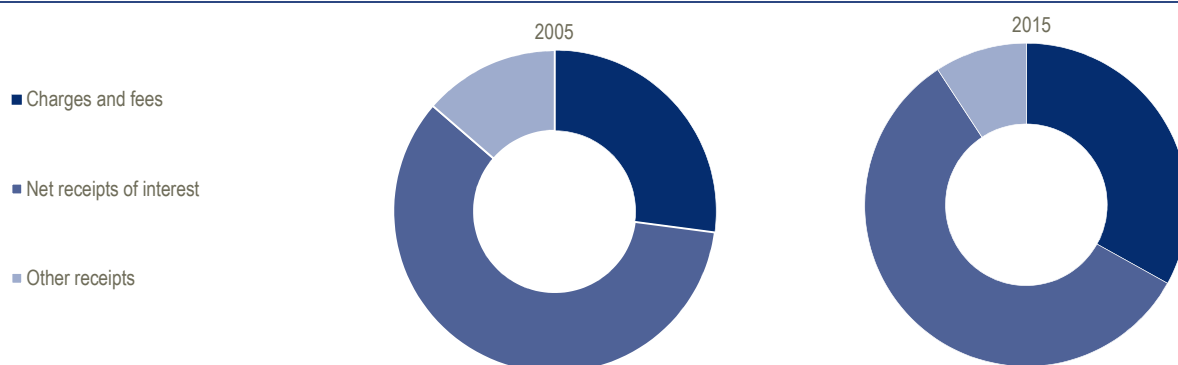
Few large and many small banks

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 2015, 80 banks were registered, of which the two largest account for 70 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

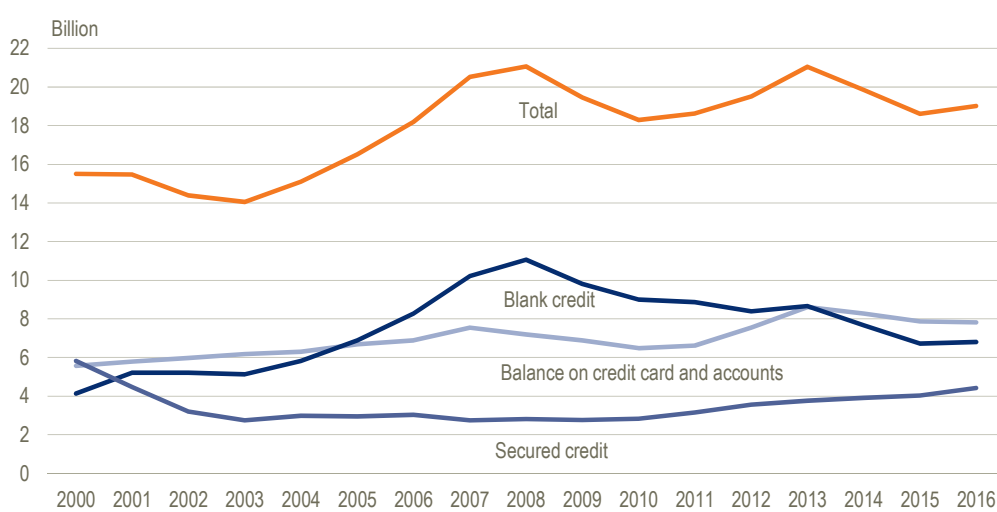
Consumer credit

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. A large part of the drop in 2014 and 2015 in the total consumer credit is due to changes in the number of companies in the sector for non-bank consumer credit companies. In 2016 the total consumer credit increased to DKK 19 billion.

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 845 billion at the end of 2015.

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 304 Owners of quoted shares and unit trust certificates. 2016

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	858.2	112.5	1 005.7	1 686.5	58.6	3 721.6
Non-financial corporations	135.5	13.0	271.3	145.4	2.9	568.1
Financial corporations	37.4	12.8	84.8	285.9	33.7	454.6
Insurance and pension funds corporations	17.8	3.6	30.9	458.1	2.8	513.2
General government	56.6	0.0	19.2	27.7	0.6	104.1
Households ²	109.9	10.5	117.7	515.4	16.6	770.1
Non-profit institutions serving households	2.4	0.4	6.8	28.0	1.0	38.6
Sector unknown	0.0	0.0	0.1	0.1	0.0	0.2
Abroad	498.5	72.3	475.1	225.9	1.0	1 272.7

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/dnvpdk

Table 305 Share index

OMXC-index	2015	2016
End of the year	end of 1995 =100	
Total	786	723
Energy	74	70
Materials	227	392
Manufacturing	411	485
Discretionary	117	119
Consumer goods	201	176
Health Care	3 113	2 342
Finance	499	544
ICT	1 297	1 286
Telecommunication	111	117
Utilities	122	125

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

Table 306 Quoted bonds in circulation by holder sector. 2016

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	610 209	3 066 510	155 748	3 832 467
Non-financial corporations	3 898	97 356	10 705	111 959
Financial corporations	83 219	1 572 197	81 811	1 737 227
Monetary financial institutions	35 978	1 038 749	49 599	1 124 326
Other financial institutions	47 241	533 448	32 212	612 901
Insurance and pension funds corporations	266 440	610 053	18 040	894 533
General government	63 225	57 084	8 647	128 956
Central government	63 554	14 213	2 749	80 516
Local government	-340	41 635	5 861	47 156
Social security funds	5	819	30	854
Households	1 087	33 817	9 254	44 158
Non-profit institutions serving households	483	16 640	870	17 993
Sector unknown	65	70	9	144
Abroad	191 792	679 293	26 412	897 497

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 307 Financial sector, main figures

	2014			2015		
	Balance	Companies	Employees	Balance	Companies	Employees
	DKK bio.	number		DKK bio.	number	
Total	12 411	328	62 174	12 017	318	60 600
Banks	4 049	84	37 851	3 614	80	37 193
Mortgage banks	3 718	7	4 380	3 647	7	4 160
The ship Credit fund of Denmark	69	1	62	65	1	67
Securities and broking companies	2	41	541	3	39	538
Investment trusts	770	49	...	843	51	...
Investment funds (big) ¹	0,6	4	128	0,6	4	134
Investment funds (small) ¹	1,2	10	217	1,3	11	209
Non-life insurance companies	206	75	13 533	202	71	13 234
Life insurance companies	2 013	19	3 314	2 074	18	3 055
Non-occupational pension funds	646	16	210	672	15	215
Company pension funds	59	19	27	60	18	28
ATP, LD, AES and SP	877	3	1 911	835	3	1 767

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 308 Profit and loss account and balance sheet of Danmarks Nationalbank

	2015	2016
	DKK mio.	
Profit and loss account		
Net interest receivable	1 877	-51
Market value adjustment	2 128	3 724
Dividend on investments	263	957
Other income	5	4
Costs including depreciation	-678	-706
Net profit of the year	3 595	3 928
Balance sheet		
Assets, total		
Stock of gold	15 490	17 491
Special drawing rights in the IMF	19 601	16 655
Foreign assets	405 502	424 894
Lending	3 502	3 530
Securities	33 689	33 110
Other assets	3 903	2 260
Liabilities , total		
Notes in circulation	64 215	64 913
Coin in circulation	5 951	6 010
Allocations of Special Drawing Rights	14 507	14 512
Foreign liabilities	3 084	3 004
Deposits	160 930	217 481
Other liabilities	3 872	6 581
The Central Government	158 244	111 772
Equity capital	70 884	73 667

Source: Danmarks Nationalbank
www.statbank.dk/mpk38

Table 309 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/dnrentm

Table 310 Profit and loss account and balance sheet of Danish banks

End of year	2014	2015
Number of banks	84	80
Antal ansatte, ultimo året	37 851	37 193
	DKK mio.	
Profit and loss account		
+Interest income	72 899	59 800
÷Interest expenses	25 577	15 327
Net income from interest, net	47 322	44 473
+Share dividends	2 914	1 454
+Charges and commissions income	29 302	31 714
÷Charges and commissions expenses	6 036	6 219
Net income from charges and commissions	73 502	71 422
+Revaluation of securities and foreign exchange	-2 295	2 567
+Other ordinary income	7 958	3 092
Profit/loss on financial items	79 165	77 081
÷Staff and administrative expenses	46 942	46 119
÷Depreciation of tangible and intangible assets	13 093	7 220
÷Other operating expenses	1 209	1 112
÷Depreciations and provisions, net	12 468	5 608
+Adjustments of shares	10 773	11 333
Profit/loss on ordinary activities	16 227	28 355
+Extraordinary receipts, net	0	0
Profit/loss before tax	16 227	28 354
÷Tax	2 160	4 477
Profit/loss for the year	14 067	23 877
Balance sheets		
Assets, total	4 014 610	3 577 950
Claims on credit institutions, etc.	428 775	303 453
Loans	1 651 838	1 640 305
Bonds, etc.	1 039 317	823 273
Shares, etc.	26 579	41 850
Holdings in associated and affiliated enterprises	158 923	161 873
Intangible assets	15 371	11 662
Tangible assets	14 923	12 121
Other assets	678 882	583 413
Liabilities, total	4 014 610	3 577 950
Liabilities to credit institutions, etc.	648 097	475 846
Deposits	1 794 846	1 669 587
Issued bonds, etc.	336 877	378 441
Other liabilities, accruals and deferred income	850 517	662 065
Provisions for liabilities and charges	12 610	58 813
Capital deposits	67 004	12 122
Equity capital	304 659	319 969

Note: Excluding the banks in Greenland.

Source: Danish Financial Supervisory Authority

www.statbank.dk/mpk39

Table 311 Banks' domestic lending and deposits. 2016

	Deposits ¹	Lending ¹
	— mio. kr. —	
Total	1 559 443	1 231 275
Agriculture, forestry and fishing	21 796	68 903
Mining and quarrying	2 719	828
Manufacturing	33 091	53 453
Electricity, gas, steam and air conditioning supply	8 505	14 832
Water supply, sewerage and waste management	4 573	2 532
Construction	24 571	22 388
Wholesale and retail trade	37 813	63 172
Transportation and storage	15 236	17 475
Accommodation and food service activities	4 829	7 091
Information and communication	19 596	7 098
Financial and insurance activities	350 061	335 372
Real estate activities	71 536	107 048
Professional, scientific and technical activities	64 483	39 475
Administrative and support activities	14 807	22 974
Public administration and defence	10 120	34 575
Education	7 576	2 745
Human health and social work activities	18 410	8 127
Arts, entertainment and recreation	6 407	2 854
Other service activities	30 479	5 716
Activities of households as employers	182	712
Activities of extra-territorial organisations and bodies	336	1
Households	812 318	413 899
Activity not stated	1	5

¹ Outstanding at the end of year.

Source: Danmarks Nationalbank

Table 312 Long-term savings schemes with deposit accounts of Danish banks

End of year	2014	2015	Percentage change in relation to previous year
	— DKK mio. —		per cent
Specific deposit accounts. total	208 348	210 640	1.1
Index-linked pension savings	5 643	4 737	-16.1
Capital-pension accounts	70 069	70 175	0.2
Savings accounts for children	14 213	14 008	-1.4
Private pension schemes	1 374	1 293	-5.9
Investment-fund accounts	1	1	-33.2
Business establishment savings	831	827	-0.5
Home-savings contracts	359	297	-17.3
Instalment-pension accounts	108 667	111 258	2.4
Savings accounts for education	41	32	-22.0
Premium lottery accounts	7 125	7 940	11.4
Market fluctuation adjustment accounts	25	72	190.3

Source: Danish Financial Supervisory Authority

www.statbank.dk/mpk43

Table 313 Mortgage banks

	2014	2015
Number of institutions	7	7
	----- DKK mio. -----	
Profit and loss account		
+Interest income	93 677	86 939
+Interest xpenses	71 418	63 252
Net income from interest	22 259	23 686
+Charges and commissions receivable	-2 012	-2 275
Net income from charges and commissions	20 247	21 411
+Expenditure of the personnel administration and other operating expenses	4 835	4 965
+Depreciation and provisions on loans	4 905	4 023
+Adjustment of capital interest	-1 120	2 063
+Other ordinary receipts	63	105
Profit/loss on ordinary activities	9 450	14 591
+Extraordinary receipts (net)	...	...
+Tax	2 307	3 098
Profit/loss for the year	7 143	11 493
Balance sheets		
Assets, total	3 718 335	3 647 170
Claims on credit institutions, etc.	782 927	733 881
Loans	2 634 958	2 651 581
Bonds and shares, etc.	240 600	205 751
Holdings in associated and affiliated enterprices	31 709	36 406
Intangible assets	3 037	220
Tangible assets	649	516
Other assets	24 455	18 815
Liabilities, total	3 718 335	3 647 170
Liabilities to credit institutions	698 974	665 453
Issued bonds, etc.	2 739 584	2 719 582
Other liabilities, accruals and deferred income	94 066	67 804
Provisions for liabilities and charges	723	620
Capital deposits	16 505	12 907
Equity capital	168 483	180 804

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

Table 314 Major finance companies, factoring and other loans

	Total activities		Status	
	2014	2015	Ult. 2014	Ult. 2015
	DKK mio.			
Factoring	37 667	26 196	7 416	7 395
Other loans	13 617	15 324	40 078	42 261

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

Table 315 Major finance companies, leasing

	2014	2015
Activities in the year	DKK mio.	
Total	17 251	20 439
Industrial equipment	2 918	3 689
Edp and office equipment	1 271	1 035
Lorries and vans	6 240	7 804
Passengercars	4 064	5 532
Vessels, aircraft, railway material	14	20
Buildings	1 142	795
Other	1 602	1 563
Status at end of year	39 324	42 259

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

Table 316 Life assurance companies

	2014	2015
Number of companies	19	18
Profit and loss account	————— DKK mio. —————	
A: Insurance activities		
+ Premiums net of reinsurance	108 414	115 836
+ Allocated investment return transferred from the technical account	166 080	44 923
Receipts from insurance activities	274 494	160 759
± Claims incurred, net of reinsurance	105 875	97 313
± Change in life assurance provisions	156 588	55 228
± Administrative expenses	4 457	4 155
± Change in bonus equalization provisions	4 847	1 668
+ Result from sickness and accident insurance	374	-857
Result from insurance activities	3 101	1 538
B: Investment activities		
+ Result from investment activities	192 238	51 218
± Tax on pensions yield	26 159	6 295
± Allocated investment return transferred to the technical account	159 695	42 928
± Yield on investments carried forward to sickness and accident insurance	4 377	1 023
Result from investment activities	2 007	972
C: Total activities		
+ Result from primary operation	5 108	2 510
+ Other ordinary receipts, net	1 030	1 185
+ Extraordinary receipts, net	0	0
± Taxes	1 700	1 690
Net result for the year	4 438	2 006
D: Increase in equity capital		
+ Net result of the year	4 438	2 006
± Dividends, etc.	837	898
Increase in equity capital, total	3 601	1 108
Balance sheets		
Assets total	2 013 190	2 074 072
A: Investment assets		
Land and buildings	3 645	3 406
Bonds	515 704	514 934
Shares and other capital holdings	439 242	445 986
Loans	176 819	152 354
Other	15 214	4 888
B: Other assets	862 566	952 504
Liabilities, total	2 013 190	2 074 072
Equity capital	61 121	59 116
Provisions	1 656 191	1 717 696
Other liabilities	295 878	297 260

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

Table 317 Accounts of non-life insurance companies

	2014	2015
Number of companies	75	71
Profit and loss account	DKK mio.	
A: Insurance activities		
+Gross premiums written, net of reinsurance	61 932	61 254
+Technical interest	108	-31
Receipts from insurance activities	62 040	61 223
+Claims incurred, net of reinsurance	43 410	43 880
+Administrative expenses	10 936	10 972
+Other insurance technical items	505	449
Result from insurance activities	7 189	5 922
B: Investment activities		
+Result from investment activities	6 786	3 338
C: Total activities		
Result from primary operation	13 975	9 260
+Other ordinary receipts, net	-546	-303
+Extraordinary receipts, net	960	583
+Taxes	2 174	1 387
Net result for the year	12 215	8 152
D: Increase in equity capital		
Net result for the year	12 215	8 152
+Balancing items	3 126	2 353
+Capital injection	30	40
Increase, total	15 371	10 545
+Dividends, etc.	4 082	1 478
Increase in equity capital, total	11 289	9 067
Balance sheets		
Assets, total	205 619	202 144
A: Investment assets		
Land and buildings	5 503	10 210
Bonds	109 830	35 679
Shares and other capital holdings	57 778	43 572
Loans	2 260	84 419
Other	678	0
B: Other assets	29 570	28 264
Liabilities, total	205 619	202 144
Equity, total	80 374	74 634
Provisions	104 153	105 041
Other liabilities	21 092	22 469

Source: Danish Financial Supervisory Authority
www.statbank.dk/mpk52 and [mpk53](http://www.statbank.dk/mpk53)

Table 318 Non-life insurance by type

	Premiums		Compensation	
	2014	2015	2014	2015
	DKK mio.			
Total	67 525	67 229	46 906	48 199
Total commercial insurance	17 027	16 481	11 657	12 540
Workmen's compensation	2 994	2 964	1 275	1 479
Buildings	6 161	6 147	4 719	4 451
Contents (other than stock and machinery)	2 912	2 760	1 793	3 312
Professional liability	2 377	2 314	2 104	1 565
Marine and transport	1 174	1 079	874	775
Aviation	0	25	-3	-1
Other commercial insurance	1 407	1 192	895	959
Total private insurance	16 378	16 303	11 835	11 610
Householder's comprehensive	5 407	5 425	4 064	3 772
Homeowner's comprehensive	7 166	7 083	5 247	5 315
Weekend cottages	912	910	604	563
Change of ownership insurance	295	317	281	278
Other private insurance	2 598	2 568	1 638	1 682
Total personal accident insurance	12 390	12 653	8 812	10 265
Health insurance	1 484	1 557	1 139	1 270
Single accident and sickness	10 756	10 970	7 565	8 933
Professional disability	150	126	108	62
Total motor vehicle insurance	19 310	19 146	13 407	12 448
Third-party liability	6 585	6 164	5 374	4 099
Vehicle (own damage)	12 725	12 982	8 033	8 349
Credit and suretyship	402	417	78	-239
Touristassistance and Legal aid insurance	1 151	1 292	768	1 046
Total direct business	66 658	66 292	46 557	47 670
Total indirect business	867	937	349	528

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 319 Pension funds

	Intersectoral pension funds		Corporate pension funds	
	2014	2015	2014	2015
Number of members	757 816	790 780	13 765	13 330
Working members	611 702	637 724	3 293	2 988
Retired members	123 644	130 283	7 832	7 807
Retired spouses	14 595	15 024	1 952	1 926
Children who receive children's pension	7 875	7 749	688	609
	DKK mio			
Current annual pension, total	10 379	15 503	...	...
Pension for members	9 322	13 867	...	...
Pension for spouses	903	1 367	...	...
Pension for children	154	269	...	...
Miscellaneous income				
Member contributions	20 276	20 735	356	258
Of which extraordinary contributions	1 519	1 675	72	15
Interest income and profits	13 043	12 555	1 693	1 235
Miscellaneous expenditure¹				
Pensions	19 297	14 159	1 703	1 663
Retirement allowances	1 450	1 190	72	15
Assets, total	646 091	671 570	59 433	59 821
Central government bonds ¹	18 543	13 292	9 916	7 849
Other bonds ¹	5 792	5 172	17 622	17 198
Mortgage credit bonds, etc. ¹	73 589	65 990	11 687	14 302
Cash at bank and in hand	6 549	6 401	259	303
Mortgage credits	6	3	1 486	2 393
Loans with other collateral	43 195	50 391	0	455
Other assets	498 417	530 321	18 463	17 321
Premium reserves	433 642	438 247	43 040	41 199

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

Source: Danish Financial Supervisory Authority

¹ Book value.

www.statbank.dk/mpk49

Table 320 Denmark's gold and foreign exchange reserve

End of year	2015	2016
	DKK billion	
Danmarks Nationalbanks gold stock	15.5	17.5
Danmarks Nationalbanks foreign assets	405.5	424.9
Claims on the International Valuta Fund	19.6	16.7
Other loans	-3.1	-3.5
The foreign exchange reserve	437.5	455.6

Source: Danmarks Nationalbank

Table 321 Money stock

	2015	2016
	DKK billion	
Money stock	1 157.5	1 230.8
Notes and coins outside the banking sector	59.8	61.6
Deposit in banks and savings banks	1 097.7	1 169.2
-Demand deposits	983.8	1 069.8
-Agreement deposits ¹	113.9	99.4

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

Source: Danmarks Nationalbank

Table 322 Consumer credit

End of year	2015	2016
	DKK mio.	
Total	18 614	19 023
Balance on credit and account cards	7 862	7 808
Of which, petrol companies	1 408	1 422
Blank credit	6 714	6 800
Secured credit	4 037	4 415

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

Table 323 Danish electronic payment card system

	2008	2013	2014	2015	2016
	thousands				
Number of cards	4 010	4 921	5 288	5 788	5 818
Transaction	796 394	1 032 171	1 113 270	1 212 417	1 291 261
	DKK mio.				
Turnover	279 897	318 800	333 581	356 805	376 961

Source: NETS
www.statbank.dk/mpk41

Table 324 Exchange rates

Currency		2015	2016
DKK			
Pound sterling	GBP	1 028.24	910.57
Bulgarian lev	BGN	381.36	380.67
Norwegian krone	NOK	83.43	80.18
Polish zloty	PLN	178.27	170.68
Swiss franc	CHF	698.88	683.13
Swedish krona	SEK	79.74	78.63
Czech koruna	CZK	27.35	27.54
Hungarian forint	HUF	2.41	2.39
EU common currency	EUR	745.86	744.52
US dollars	USD	672.69	673.27
Australian dollars	AUD	505.34	500.87
Brazilian real	BRL	204.59	194.51
Canadian dollars	CAD	526.42	508.23
Hong Kong dollars	HKD	86.77	86.73
Japanese yen	JPY	5.56	6.21
Chinese yuan renminbi	CNV	107.04	101.29
Singapore dollars	SGD	489.13	487.57
Effective rate of DKK 1980 = 100		99.20	100.80

Note: The rate is the annual average.

Source: Danmarks Nationalbank
www.statbank.dk/DNVALA