Documentation of statistics for
Financial Accounts 2016

1 Introduction (S.0)

The financial accounts for Denmark were published for the first time in 2001 with data for the period 1995-1999. Quarterly financial accounts are published by the Danish Central Bank. The two statements are basically alike except for a few differences in the choice of sources and methods. There is an ongoing collaboration with Danmarks Nationalbank to reduce these differences. The objective of the collaboration is that the individual (sub-)sectors isn't developed in both institutions.

2 Statistical presentation (S.3)

The financial accounts clarify how institutional sectors in the economy place/finance their net lending/net borrowing, and to show how the financial net worth is placed in financial instruments. Financial accounts consist of the *financial (transactions) account*, *account of other changes in volume*, *revaluation account*, *opening balance sheet account* and the *closing balance sheet account*.

2.1 Data description (S.3.1)

The financial accounts clarify how institutional sectors in the economy place/finance their net lending/net borrowing, and to show how the financial net worth is placed in financial instruments.

Financial accounts consist of the *financial (transactions) account*, *account of other changes in volume*, *revaluation account*, *opening balance sheet account* and the *closing balance sheet account*. The first three accounts shows the transition from the *opening balance sheet account* to the *closing balance sheet account.

the *financial (transactions) account*, which shows buying and selling of financial instruments, describes an important part of the transition from the *opening balance sheet account* to the *closing balance sheet account*. Because the financial instruments are valued at market price, another important part of the transition is made up by revaluations, which are shown in the *revaluation account*. The remaining part is found in the *account of other changes in volume*, showing e.g. losses on debtors and relocations of units between sectors.

Financial accounts follows the principles of the European system of national and regional accounts - ESA 2010. Each account is calculated for the financial instruments:

F.1 Monetary gold and special drawing rights (SDR). The instrument is divided into:

- **F.11** the gold stock held by the Danish Central Bank
- **F.12** SDRs allocated to the membership countries by The International Monetary Fund (IMF)

F.2 Currency and deposits. The instrument is divided into:

- **F.21** notes and coins in circulation issued by the Central Bank
- **F.22** transferable deposits which are immediately convertible into currency by cheque, bankers order or the like
- **F.29** other deposits

F.3 Debt securities. Includes financial assets which are negotiable and bearer instruments, are usually traded on secondary markets, and do not grant the owner any ownership rights in the institutional unit issuing them. Includes bills of exchange, bonds, treasury notes, certificates of deposit, commercial papers or the like, which are normally traded at the financial markets. The instrument is divided into:

- **F.31** short-term debt securities
- **F.32** long-term debt securities

F.4 Loans. Consists of financial assets created when creditors lend funds to debtors, either directly or through a broker, evidenced by non-negotiable documents or not evidenced by documents. The instrument is divided into:

- **F.41** short-term loans
- **F.42** long-term loans

F.5 Equity and investment fund shares or units. Represents financial assets which represent property rights on corporations or quasi-corporations. These financial assets generally entitle the holders to a share in the profits of the corporations or quasi-corporations and to a share in their net assets in the event of liquidation. The instrument is divided into:

- **F.51** equity. The instrument is divided into:
- **F.511** listed shares
- **F.512** unlisted shares

- **F.519** other equity

- **F.52** Investment fund shares or units. The instrument is divided into:

- **F.521** money market fund (MMF) shares or units
- **F.522** non-MMF investment fund shares or units

F.6 Insurance, pension and standardised guarantee schemes. Consists of households' pension entitlements in life insurance which includes technical provisions of insurance corporations and pension funds against policy holders or beneficiaries. In addition the instrument includes prepayments of insurance premiums and reserves for outstanding claims. Prepayments of insurance premiums consist of the amount representing that part of gross premiums written which is to be allocated to the following account period. Reserves for outstanding claims consist of the total estimated cost of settling all claims arising from the events which have occurred up to the end of the accounting period, whether reported or not, less amounts already paid in respect of such claims. The instrument also includes standardised guarantee schemes. Standardised guarantees schemes, are guarantees, which usually covers small uniform amounts issued in large numbers. The amount involved is the estimated loss the issuer will suffer as a result of the guarantee. The instrument is divided into:

- **F.61** non-life insurance technical reserves
- **F.62** life insurance and annuity entitlements
- **F.63** pension entitlements
- **F.64** claims of pension funds on pension managers
- **F.65** entitlements to non-pension benefits
- **F.66** provisions for calls under standardised guarantees

F.7 Financial derivatives and employee stock options. Consist of financial instruments linked to a specified financial instrument or indicator or commodity. The instrument is divided into

- **F.71** financial derivatives
- **F.72** employee stock options

F.8 Other accounts receivable/payable. Financial assets which are created as a counterpart of a financial or a non-financial transaction in cases where there is a difference between this transaction and the corresponding payment. The instrument is divided into:

- **F.81** trade credits and advances
- **F.89** other accounts receivable/payable, excluding trade credits and advances

The statistic covers every institutional sector in the economy as shown below:

- **S.1** Total economy
- **S.11** Non-financial corporations
- **S.12** Financial corporations
- **S.121** Central Bank
- **S.122** Deposit-taking corporations except the central bank
- **S.123** Money market funds (MMF)
- **S.124** Non-MMF investment funds
- **S.125** Other financial intermediaries, except insurance corporations and pension funds
- **S.126** Financial auxiliaries
- **S.127** Captive financial institutions and money lenders
- **S.128** Insurance corporations
- **S.129** Pension funds
- **S.13** General government
- **S.1311** Central government
- **S.1313** Local government
- **S.1314** Social security funds
- **S.14** Households
- **S.15** Non-profit institutions serving households (NPISH)
- **S.2** Rest of the world

For each (sub-)sector, the financial accounts is calculated consolidated and unconsolidated. In the consolidated statements financial intermediaries between institutional units classified in the same (sub) sector is eliminated - for example loans from a bank (S.122) to a life insurance (p.128) is deducted in the consolidated statement of financial corporations (S.12). By definition the financial accounts for Rest of the world (S.2) is consolidated. The total economy (S.1) consolidated accounts is by definition a mirror image of Rest of the world (S.2) financial accounts (except F.1).

The consolidation includes primarily financial corporations deposits and loans, listed bonds, listed shares and other equity, insurance technical reserves and trade credits. The consolidation can not be construed as exhaustive. This is especially true for non-listed shares and other equity where the ownership structure is insufficiently clarified.

2.2 Classification system (S.3.2)

The statistics follows the Danish industrial classification *Dansk Branchekode 2007* (DB07) a danish version of EU's nomenklatur (NACE).

2.3 Sector coverage (S.3.3)

The statistic covers every industry according to the Danish industrial classification *Dansk Branchekode 2007* (DB07) a danish version of EU's nomenklatur (NACE).

2.4 Statistical concepts and definitions (S.3.4)

Financial Assets: A financial asset can be any of these four items: a) Cash b) A contractual right to receive cash or similar from another entity c) A contractual right to exchange financial assets or liabilities with another entity on potentially favorable terms d) Equity of another entity

Financial Liabilities: A financial liability can be either of these two items: a) A contractual obligation to deliver cash or similar to another entity b) A contractual obligation to exchange financial assets or liabilities with another entity on potentially unfavorable terms

2.5 Statistical unit (S.3.5)

The unit in the national accounts is basically the local KAU, the workplace, which is the smallest unit that can establish a production account. This unit is called the functional unit and it differs from the institutional unit, usually made up by the company, which is the economic and decision-making unit. While functional units are classified by industries, the institutional units are classified by institutional sector in the national accounts.

2.6 Statistical population (S.3.6)

Institutional units are economic entities that are capable of owning goods and assets, of incurring debt and engage in economic activities and on its own account transactions with other entities.

2.7 Reference area (S.3.7)

Denmark.

2.8 Time coverage (S.3.8)

The statistics covers a time period from 1995 and onwards.

2.9 Base period (S.3.9)

Not relevant for these statistics.

2.10 Unit of measure (S.4)

DKK million.

2.11 Reference period (S.5)

01-01-2016 - 31-12-2016

2.12 Frequency of dissemination (S.9)

Annual.

2.13 Legal acts and other agreements (S.6.1)

Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union.

2.14 Cost and burden (S.16)

The burden for the respondents is zero since all information is gathered through registers or through other published statistics.

2.15 Comment (S.19)

A general introduction to the national accounts is given in a textbook (Danish only) prepared by Bent Thage & Annette Thomsen: *"Nationalregnskabet"*, Serien Erhverv og Samfund, Handelshøjskolens Forlag, 2004. A thorough description of financial accounts definitions is available in: "European System of Accounts ESA 2010".

3 Statistical processing (S.18)

The data is collected continuously throughout the year from many different sources. It is then processed in relation to the national accounts system, where it may be necessary to contact the specific source to clarify certain characteristics of the data. It may be necessary to make imputations in cases where the data isn't available at the time of publication. When a full set of financial accounts for all (sub-)sectors are designed a series of corrections is carried due to the internal consistency, which is the basis of national accounts.

3.1 Source data (S.18.1)

Sources for financial accounts include:

- Reports from The Danish Financial Supervisory Authority.
- Monetary and financial statistics from Danmarks Nationalbank
- Foreign debt from Danmarks Nationalbank.
- Balance of payments from Danmarks Nationalbank.
- Statistics on quoted shares.
- Statistics on quoted bonds.
- Statistics on loans and deposits.
- Quotations from Copenhagen Stock Exchange.
- Statistics on major insurance companies and consumer credit companies.
- Accounting and VAT statistics.
- Accounts in general.
- Tax return statistics.
- Accounts for general government

3.2 Frequency of data collection (S.18.2)

Yearly.

3.3 Data collection (S.18.3)

Not relevant for these statistics.

3.4 Data validation (S.18.4)

One of the fundamental goals when compiling national accounts statistics is to achieve a high degree of comparability over time. Therefore, the statistical sources are adapted in order to be consistent with the concepts of the national accounts. This process is the first part of the quality assurance of statistics where it may be necessary to contact the specific source to clarify certain characteristics of the data, or if the new data is significantly different than expected. As data is collected continuously throughout the year, it may be necessary to make imputations for the data that are not available at the time of publication. The internal consistency of financial accounts functions as a quality control in the production, as different sources with the same information can be compared.

3.5 Data compilation (S.18.5)

The data is collected continuously throughout the year from many different sources. It is then processed in relation to the national accounts system, where it may be necessary to contact the specific source to clarify certain characteristics of the data. It may be necessary to make imputations in cases where the data isn't available at the time of publication. After the first quality assurance where data is validated and the concepts of the national accounts are adapted a full set of financial accounts for all (sub-)sectors are designed. For each (sub-)sector the transition from the *opening balance sheet account* to the *closing balance sheet account* is calculated as below:

opening balance sheet + financial transactions + other changes in volume + revaluations = closing balance sheet

Financial accounts make up a consistent system, showing the financial flows and net worth of each sector of the economy over time. Corrections is carried out due to the internal consistency, which is the basis of national accounts.

The financial accounts are - on both the asset and liability side - based on a number of financial instruments. It is an inherent quality of a financial instrument that if it appears as an asset for one unit it will simultaneously appear as a liability for another unit. An example is bank deposits of households, which are an asset for households and a liability for banks. For each account and instrument this sector/counter-sector relationship implies that the sum of all assets equals the sum of all liabilities. Also by definition the sum of net lending / net borrowing across sectors equals zero.

The internal consistency of financial accounts functions as a quality control in the production, as different sources with the same information can be compared.

A link between the non-financial sector accounts and the financial accounts is net lending/ net borrowing. The net lending/net borrowing obtained in the non-financial sector accounts is per definition identical to the net lending/net borrowing obtained in the financial accounts. This is due to the fact, that non-financial transactions always have a counterpart transaction in the financial accounts. However this is difficult to obtain in practice due to different sources, insufficient sources and time differences.
The deviation between the net lending/net borrowing obtained in non-financial sector account and the net lending/net borrowing obtained in the financial accounts is used as an important quality indicator. This is especially true for sectors, where both the non-financial and financial parts are covered by good sources. This control measure gives rise to a re-evaluation and sometimes re-estimation of sources and calculation, but does not completely eliminate the differences.

Balancing the net lending/net borrowing (given by the total transactions in assets less of the total transactions in liabilities) is usually done in the financial accounts. This is due to the fact that transactions in the financial accounts usually are linked with greater uncertainty compared to the transactions in the non-financial accounts. The starting point in the financial accounts is usually balances, which are based on high quality sources. Thereafter revaluations and transactions are compiled from other sources or estimated. This composition of different sources can give rise to a biased distribution between revaluations and transactions, which leads to an inaccurate net lending/net borrowing in the financial accounts. The balancing of the net lending/net borrowing does not influence the balances. The balancing is done in the financial transaction account. To obtain the transition from beginning of the period to the end of the period a counterpart transaction is placed in the account for other changes in volume. This practice is chosen because the balances of the financial accounts have the most reliable sources.

3.6 Adjustment (S.18.6)

There is no correction of data beyond what has already been described under data validation and data treatment.

4 Relevance (S.12)

The users of financial accounts are expected to be Danmarks Nationalbank, financial institutions, Eurostat, economic ministries, lobby organizations and financial analysts in general for the purpose of analysis, forecasting and modeling.

4.1 User Needs (S.12.1)

The users of financial accounts are expected to be Danmarks Nationalbank, financial institutions, Eurostat, economic ministries, lobby organizations, financial analysts in general for the purpose of analysis, forecasting and modeling.

4.2 User Satisfaction (S.12.2)

Data regarding user satisfaction in not gathered at his time.

4.3 Data completeness rate (S.12.3)

Financial accounts comply with Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union.

5 Accuracy and reliability (S.13)

The financial accounts are based on a number of sources that may be influenced by a certain degree of inaccuracy, which may affect the financial accounts. Because of the consistency checks and the data confrontations carried out, the influence of the inaccuracy of the sources is, however, reduced.

5.1 Overall accuracy (S.13.1)

Because of the number of consistency checks, data confrontations and comparisons with the non-financial accounts facilitated by the system of accounts, the overall accuracy is considered to be relatively high.

In principle, it is difficult to measure the level of inaccuracy. However, the net lending / net borrowing across sectors, which are calculated before the final balancing is carried out, are comparable with the same measure in the non-financial accounts. The differences can be regarded as a measure of accuracy for the national accounts as a whole. Quality performance indicators for the inaccuracy is under development.

5.2 Sampling error (S.13.2)

Not developed for these statistics.

5.3 Non-sampling error (S.13.3)

Not developed for these statistics.

5.4 Quality management

Statistics Denmark follows the recommendations on organisation and management of quality given in the Code of Practice for European Statistics (CoP) and the implementation guidelines given in the Quality Assurance Framework of the European Statistical System (QAF). A Working Group on Quality and a central quality assurance function have been established to continuously carry through control of products and processes.

5.5 Quality assurance

Statistics Denmark follows the principles in the Code of Practice for European Statistics (CoP) and uses the Quality Assurance Framework of the European Statistical System (QAF) for the implementation of the principles. This involves continuous decentralized and central control of products and processes based on documentation following international standards. The central quality assurance function reports to the Working Group on Quality. Reports include suggestions for improvement that are assessed, decided and subsequently implemented.

5.6 Quality assessment (S.11.2)

The financial accounts are based on a number of sources that may be influenced by a certain degree of inaccuracy, which may affect the financial accounts. Because of the consistency checks and the data confrontations carried out, the influence of the inaccuracy of the sources is, however, reduced.

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In principle, it is difficult to measure the level of inaccuracy. However, the net lending / net borrowing across sectors, which are calculated before the final balancing is carried out, are comparable with the same measure in the non-financial accounts. The differences can be regarded as a measure of accuracy for the national accounts as a whole. Quality performance indicators for the inaccuracy is under development.

5.7 Data revision - policy

Statistics Denmark revises published figures in accordance with the Revision Policy for Statistics Denmark. The common procedures and principles of the Revision Policy are for some statistics supplemented by a specific revision practice.

5.8 Data revision practice (S.17.2)

The first temporary figures are published about 6 months after completion of the latest reference year with the release at the end of June. Final figures are published annually about three years after the reference year in the early November release. Upon publication in the end of June, the three latest years are temporary. Upon release in early November two latest year are temporary. At present, the years 1995-2012 are final figures. There will be some significant revisions to the latest year.

6 Timeliness and punctuality (S.14)

The first temporary figures are published about 6 months after completion of the latest reference year with the release at the end of June. Final figures are published annually about three years after the reference year in the early November release. Upon publication in the end of June, the three latest years are temporary. Upon release in early November two latest year are temporary. At present, the years 1995-2013 are final figures. There will be some significant revisions to the latest year. The statistics is normally published without delay compared to the announced date.

6.1 Timeliness and time lag - final results (S.14.1)

The first temporary figures are published about 6 months after completion of the latest reference year with the release at the end of June. Final figures are published annually about three years after the reference year in the early November release. Upon publication in the end of June, the three latest years are temporary. Upon release in early November two latest year are temporary. At present, the years 1995-2013 are final figures. There will be some significant revisions to the latest year.

6.2 Punctuality

The statistics is normally published without delay compared to the announced date.

7 Comparability (S.15)

The sector definitions in the financial accounts follow ESA2010. This enables comparisons to be made with non-financial accounts nationally as well as internationally. Quarterly financial accounts are published by the Danish Central Bank. The two statements are basically alike except for a few differences in the choice of sources and methods.

7.1 Comparability - geographical (S.15.1)

The sector definitions in the financial accounts follow ESA2010. This enables comparisons to be made with non-financial accounts nationally as well as internationally.

7.2 Comparability over time (S.15.2)

One of the fundamental goals when compiling national accounts statistics is to achieve a high degree of comparability over time. Therefore, the statistical sources are adapted in order to be consistent with the concepts of the national accounts and corrected to eliminate the consequences of changes in coverage, classifications etc.

7.3 Coherence - cross domain (S.15.3)

The sector definitions in the financial accounts follow ESA2010. This enables comparisons to be made with non-financial accounts nationally as well as internationally. Quarterly financial accounts are published by the Danish Central Bank. The two statements are basically alike except for a few differences in the choice of sources and methods.

7.4 Coherence - internal (S.15.4)

By definition there is full internal consistency in the national accounts.

8 Accessibility and clarity (S.10)

The statistic is published in News from Statistics Denmark here: Annual national accounts. Data can be found in the following table in the StatBank: Financial account and balance sheets.

8.1 Release calendar

The publication date appears in the release calendar. The date is confirmed in the weeks before.

8.2 Release calendar access

The Release Calender can be accessed on our English website: Release Calender.

8.3 User access

Statistics are always published at 8:00 a.m. at the day announced in the release calendar. No one outside of Statistics Denmark can access the statistics before they are published. Theme publications etc. may be published at other times of the day. The National Statistician can decide that such publications may be released before their official publication time, e.g. to the media and other stakeholders.

8.4 News release (S.10.1)

The statistic is published in News from Statistics Denmark here: Annual national accounts.

8.5 Publications (S.10.2)

Data is part of:

- Statistical Yearbook
- Statistical Ten-year Review

8.6 On-line database (S.10.3)

Data can be found in the following table in the StatBank: Financial account and balance sheets.

8.7 Micro-data access (S.10.4)

There is no access to micro-data.

8.8 Other (S.10.5)

The statistic is delivered to Eurostat and ADAM (Annual Danish Aggregate Model).

8.9 Confidentiality - policy (S.7.1)

Data Confidentiality Policy at Statistics Denmark[Data Confidentiality Policy at Statistics Denmark](#).

8.10 Confidentiality - data treatment (S.7.2)

Due to confidentiality the subsector S.123 Money market funds aren't published independently. Similarly the financial instruments (F.521) Money market fund (MMF) shares or units (F.522) Non-MMF investment fund shares/units aren't published independently. Data Confidentiality Policy at Statistics Denmark[Data Confidentiality Policy at Statistics Denmark](#).

8.11 Documentation on methodology (S.10.6)

A detailed description of sources and methods will be published in Statistical News.

8.12 Quality documentation

Results from the quality evaluation of products and selected processes are available in detail for each statistics and in summary reports for the Working Group on Quality.

9 Contact

The administrative placement of this statistics is in the division of Government Finances. The person responsible is Jesper Søgaard Dreesen, tel. +45 3917 3054, e-mail: jsd@dst.dk

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