

**Documentation of statistics for
Financial accounts 2018**

1 Introduction

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 accounts are basically similar but have a few differences in the choice of sources and methods. There is an ongoing collaboration with Denmark's Nationalbank to reduce these differences. The objective of the collaboration is to establish a clear division of labour between the two institutions.

2 Statistical presentation

The financial accounts clarify how institutional sectors in the economy place/finance their net lending/net borrowing thereby the financial accounts show how the financial net worth is divided into different financial instruments. The financial accounts are published on an annual basis and consists of four parts: *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

The financial accounts clarify how institutional sectors in the economy place/finance their net lending/net borrowing thereby the financial accounts show how the financial net worth is divided into different financial instruments.

Financial accounts consists of four parts: *financial (transactions) account*, *account of other changes in volume*, *revaluation account*, *opening balance sheet account* and the *closing balance sheet account*. The role of the first three accounts is to show the transition from the *opening balance sheet account* to the *closing balance sheet account*. The *financial (transactions) account*, which shows purchase and selling of financial instruments, indicate how the economy's sector places its net lending/borrowing. The revaluation account shows adjustments in the instrument's value during the accounting period. The account for other changes in volume capture among others losses on debtors and relocations of units between sectors. The financial accounts follow the framework set by the European System of Accounts 2010 (ESA 2010). The following instruments are contained in each account:

F.1 Monetary gold and Special Drawing Rights (SDR). This instrument is partitioned into:

- **F.11** the gold stock held by the Danish Central Bank
- **F.12** SDRs allocated to the members of The International Monetary Fund

F.2 Currency and deposits. This instrument is partitioned into:

- **F.21** notes and coins in circulation issued by the resident monetary authorities
- **F.22** transferable deposits which are fully convertible into currency on demand and which are directly usable for making payments by cheque, draft, bankers order or other direct payment facilities, without penalty or restriction
- **F.29** other deposits

F.3 Debt securities. It 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 issuing institutional unit. Includes bills of exchange, bonds, treasury notes, certificates of deposit, commercial papers or the like, which are traded at the financial markets. The instrument is partitioned into:

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

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

F.4 Loans. It consists of financial assets created when creditors lend funds to debtors, either directly or through a intermediary, 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. The instrument consists of financial assets by which the exchange has a transfer of ownership rights on corporations or quasi-corporations. These financial assets usually 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 further divided into:

- **F.51** equity. The instrument is further divided into:
 - **F.511** listed shares
 - **F.512** unlisted shares
- **F.519** other equity
- **F.52** Investment fund shares or units. The instrument is further 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. It 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 quantities. The amount is the estimated loss the issuer will suffer as a result of the guarantee. The instrument is partitioned 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 timing 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 as defined by ESA 2010:

- **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 (S.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 for the instrument 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 considered to be exhaustive. This is especially true for non-listed shares and other equity where the ownership structure is often unclarified.

2.2 Classification system

The statistics follows the Danish industrial classification "*Dansk Branchekode 2007*" (DB07) a Danish version of EU's nomenclature (NACE). In short, DB07 is an extension of NACE, whereby the first four digits of an industrial classification match NACE and the two additional digits represent the Danish extension.

2.3 Sector coverage

The statistic covers every industry according to the Danish industrial classification "[Dansk Branchekode 2007](#)". The main text is only available in Danish.

2.4 Statistical concepts and definitions

Financial assets: A financial asset means one of the following assets: - Cash - A contractual right to receive cash or another financial asset from another party - A contractual right to exchange financial instruments with another party on potentially favourable terms; or - An ownership instrument of another party.

Financial liabilities: Is a contractual obligation to - provide cash or another financial asset to another party, or - exchange financial instruments with another party on potentially unfavourable terms

Institutional unit: An economic unit which, at its own discretion and under its own legal responsibility is able to: - Own assets, and exercise the rights that follow - Take on debt - Perform economic activities, such as production, consumption, investment and savings - Enter into financial transactions with other entities - Meaningfully prepare full accounts including both an operating account and a balance sheet.

An account does not necessarily have to be available for an entity to meet the definition. It is sufficient that the entity, if it so desires or is required by it, will be able to keep meaningful accounts.

Resident company (Danish): A company that has a financial center of interest (pursuing economic activities) in Denmark for a longer period (more than one year). This means that branches or subsidiaries of foreign companies are considered resident companies.

Net worth: Is for each sector calculated as assets minus liabilities.

2.5 Statistical unit

The unit in the financial accounts is basically the local Kind-of-Activity Unit (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

All financial transactions where at least one party is resident for a given period.

2.7 Reference area

Denmark.

2.8 Time coverage

The statistics are updated on an annual basis. It currently covers a time frame from 1995 and onwards.

2.9 Base period

Not relevant for these statistics.

2.10 Unit of measure

The unit of measurement is DKK million.

2.11 Reference period

01-01-2018 - 31-12-2018

2.12 Frequency of dissemination

Annually.

2.13 Legal acts and other agreements

[Regulation \(EU\) No 549/2013](#) of the European Parliament and of the Council the 21st of May 2013 on the European System of National Accounts in the European Union.

2.14 Cost and burden

The burden for the respondents is negligible since the underlying data of the statistics is gathered through registers, other published statistics and financial reports.

2.15 Comment

A general introduction to the financial accounts can be found in ["Understanding Financial Accounts" by OECD \(2017\)](#). The framework of financial accounts are defined by ["European System of Accounts ESA 2010"](#).

3 Statistical processing

The data is collected throughout the year from various 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 can also be necessary to make imputations in cases where the data is not available at the time of publication. When a full set of financial accounts for all (sub-)sectors are designed a series of corrections is performed to ensure the internal consistency within the national account's framework.

3.1 Source data

List of primary sources for the financial account statistics in Denmark:

- Reports from The Danish Financial Supervisory Authority .
- Monetary and financial statistics from Danmarks Nationalbank
- Statistics on quoted shares.
- Statistics on quoted bonds.
- Statistics on loans and deposits.
- Quotations from Copenhagen Stock Exchange (NASDAQ OMX).
- 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

Annually.

3.3 Data collection

Not relevant for these statistics.

3.4 Data validation

One of the fundamental goals when compiling national accounts statistics is to maintain 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

The data is collected 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 a property 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. It also holds 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 (given by the total transactions in assets less of the total transactions in liabilities). 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. In practice, this equality rarely holds due to that the statistics are produced on different data sources which may be affected by temporal concerns or missing observations. 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 serves as an important quality indicator for the statistical production. It can give rise to to a re-evaluation and sometimes re-estimation of sources and calculation. The balance act between the non-financial accounts and financial accounts is usually performed 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

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

4 Relevance

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

4.1 User Needs

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

4.2 User Satisfaction

Data regarding user satisfaction is not gathered at this time.

4.3 Data completeness rate

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

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. The consistency checks and the data evaluations reduces the impact of imprecise data sources.

5.1 Overall accuracy

The financial accounts are considered to have a relatively high accuracy. The consistency checks and data evaluations with the non-financial accounts within the system of national accounts ensures its veracity.

In practice, it is difficult to measure the level of inaccuracy. It can be implicitly be measured by comparing the net lending (borrowing) in the financial accounts with the non-financial accounts before any balancing has occurred. This tacitly assumes that the non-financial accounts have a higher degree of accuracy than the financial accounts. Quality performance indicators for the inaccuracy is under development.

5.2 Sampling error

Not developed for these statistics.

5.3 Non-sampling error

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

The financial accounts are based on various sources that may be influenced by a certain degree of inaccuracy, which in turn affects the financial accounts. The number of consistency checks, data confrontations and comparisons with the non-financial accounts facilitated by the system of accounts, reduces the effect of inaccurate sources on the financial accounts. 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

The first temporary figures of the latest reference year are published at the end of June. The final figures are published three years hence in the November release. Upon publication in the end of June, the three latest years are considered to be temporary. The earliest year is considered to be final in the November release. There can be some significant revisions to the latest year. At present, the years 1995-2016 are considered to be final. A major revision may require an opening of the final numbers.

6 Timeliness and punctuality

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 1995-2016 are final figures. There can 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

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 1995-2015 are final figures. There can 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

The sector definitions in the financial accounts are defined by ESA2010. This enables comparisons to be made with non-financial accounts nationally as well as internationally. Quarterly financial accounts are published by the Danmarks Nationalbank. The two statements are basically alike apart from differences in choice of sources and methods.

7.1 Comparability - geographical

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

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 and etc.

7.3 Coherence - cross domain

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

7.4 Coherence - internal

By definition, there is full consistency with the national accounts.

8 Accessibility and clarity

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 Calendar can be accessed on our English website: [Release Calendar](#).

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.

8.4 News release

The statistic is published in News from Statistics Denmark here: [Annual national accounts](#).

8.5 Publications

Data is part of:

- Statistical Yearbook
- Statistical Ten-year Review

8.6 On-line database

Data can be found in the following table in the StatBank: [Financial account and balance sheets](#).

8.7 Micro-data access

The micro-data is not available to the public.

8.8 Other

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

8.9 Confidentiality - policy

Data Confidentiality Policy at Statistics Denmark is found on: [Data Confidentiality Policy at Statistics Denmark](#).

8.10 Confidentiality - data treatment

Due to confidentiality, the subsector S.123 Money market funds are not published independently. Likewise, 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 is on at: [Data Confidentiality Policy at Statistics Denmark](#).

8.11 Documentation on methodology

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 Sogaard Dreesen, tel. +45 3917 3054, e-mail: jsd@dst.dk

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