

The money and capital markets

1. Capital intermediation

Capital transfers from lenders to borrowers

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

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

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

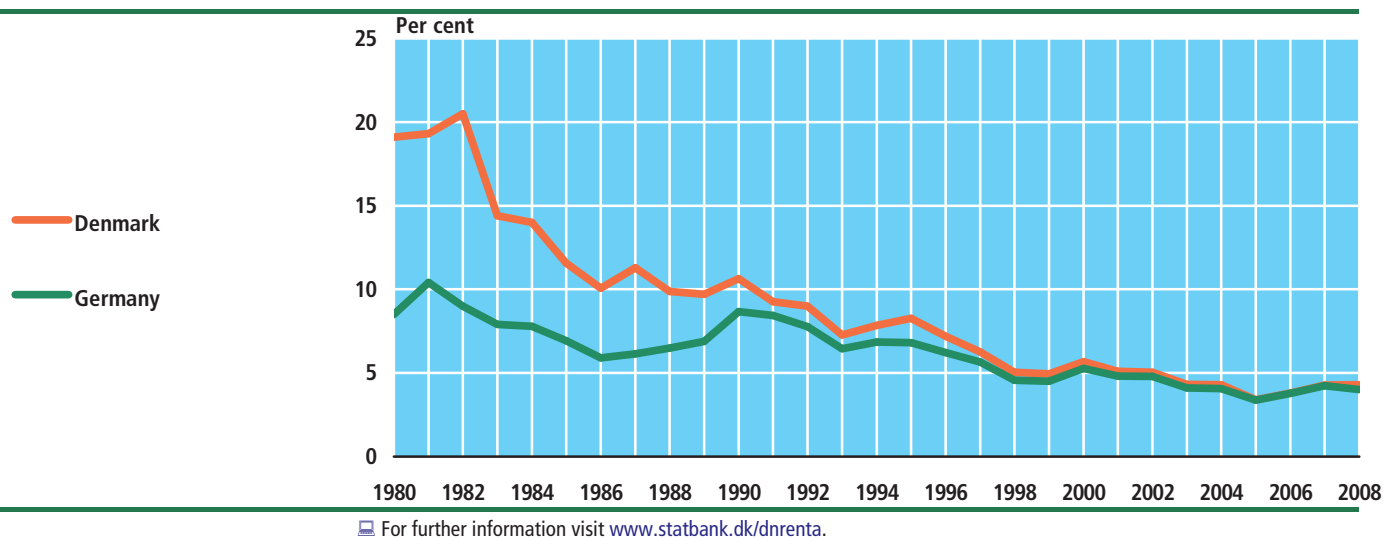
Increased internationalization

Since the early 1980s, the Danish financial markets have seen a distinct development towards deregulation, internationalization and increasing competition. Danish citizens can make foreign investments or raise loans abroad without major difficulty or costs. The free movement of capital has together with a credible exchange rate policy led to equalization of the prices (interest rates) of the financial products between the countries.

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

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 for the postponement of the opportunities of consumption. A distinction is made between short-term and long-term interest rates, i.e. the interest rates on short-term and long-term claims. Usually, the banks' three-month interest rate is applied as an indicator of the short-term interest rate, while the interest rate on ten-year government bonds is the indicator of the long-term interest rate.

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

The long-term interest rate reflects other market-driven factors, first of all inflation and risk expectations. The longer the term of the claim, the greater influence will these factors have on the fixing of the interest rate. The long-term interest rate will usually be higher than the short-term interest rate. In 1981, the short-term interest rate was as high as 21 per cent per annum, partly because of high inflation expectations.

Government purchased foreign currency to keep the krone rate down

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

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

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

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

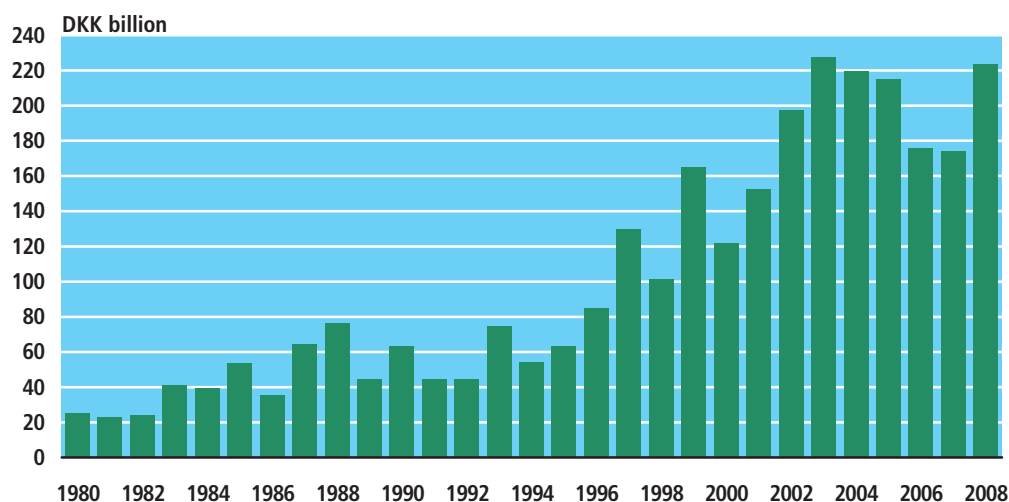
The volume of the Danish foreign exchange reserves has increased substantially since the early 1990s to 2003. This indicates that in the past decade Danmarks Nationalbank has made more purchases than sales of foreign currency in net terms to keep the krone rate down.

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

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Figure 2

Foreign exchange reserve



For further information visit www.statbank.dk/dn1v1.

Denmark participating in ERM II

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

2. Financial claims

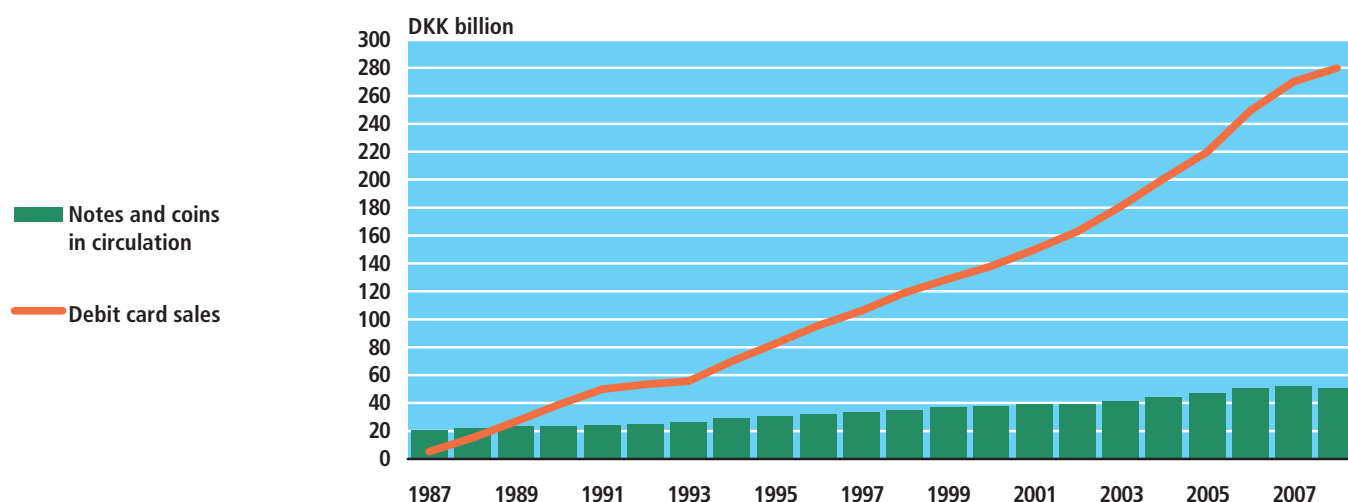
Money as a means of payment

Today, the function of money as a means of payment is based exclusively on trust. If a seller is to accept money as payment for his product, he must be able to trust that others will also accept money as the means of payment. In case of high inflation, the value of money as a means of payment will drop. Until 1931, the value of notes and coins could be converted into gold at Danmarks Nationalbank. Although the gold convertibility was subsequently abolished, the gold standard existed formally until 1971. This implied that Danmarks Nationalbank had a duty to maintain gold reserves corresponding to the value of notes and coins in circulation. Today, money is still claims against Danmarks Nationalbank, but these claims are no longer covered by the gold reserves of Danmarks Nationalbank.

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Figure 3

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



See tables 433 and 438.

Difficult to estimate the money stock

It is increasingly difficult to estimate the amount of liquidity available in the Danish society. Because of the use of Dankort (debit card), various types of accounts related to the Dankort have become just as liquid as notes and coins. At the same time, certain credit facilities may be connected to the Dankort, just as foreign banks may provide credit facilities to Danish citizens.

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

Danish mortgage bonds are internationally unique

Bonds are liquid, standardized debt instruments with low risk and a fixed repayment profile. Before the introduction of the euro, the Danish bond market was among the largest in 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.

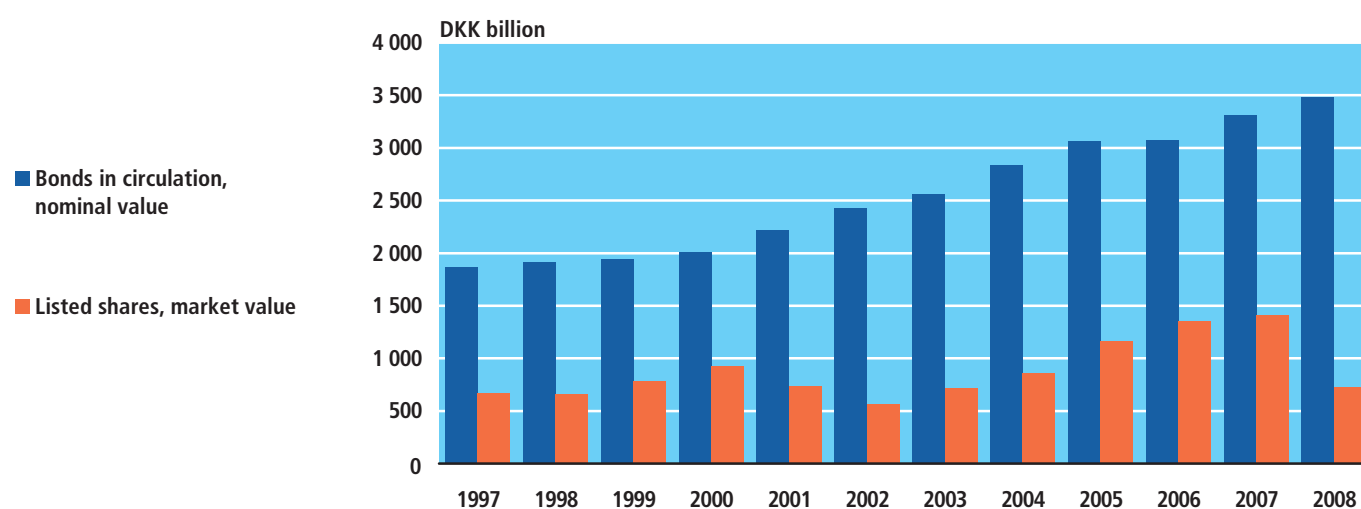
At the end of 2007, about 15 per cent of the total bond volume was owned by foreign investors. In recent years, foreign investors have shown an increasing interest in mortgage bonds. Thus, 11 per cent of mortgage bonds were held by foreigners at the end of 2007 compared to about 5 per cent in 1996.

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.

The money and capital markets

Figure 4

Shares and bonds traded on the Copenhagen Stock Exchange



For further information visit www.statbank.dk/dnvpdkb.

Shares are risky investments

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

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

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

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

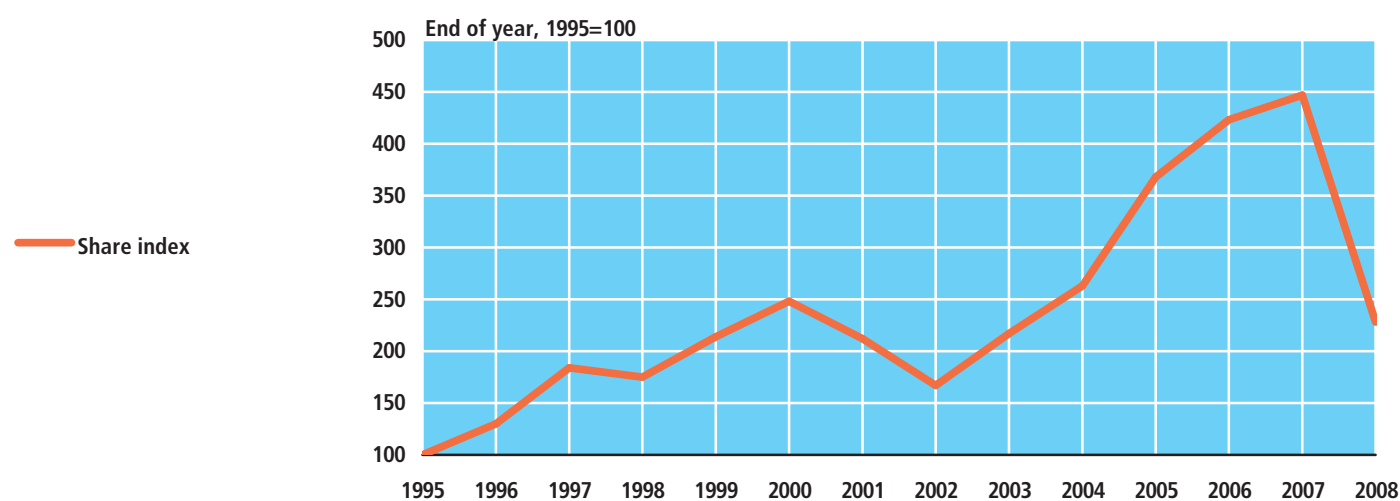
Various indices are used as indicators of the development in the stock market. The most commonly used are the all-share index OMXC shown above, which shows the market value of all listed shares, and OMXC20, which is a weighted market value index of the 20 largest and most traded shares.

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

The money and capital markets

Figure 5

OMXC, index of all shares at market value



For further information visit www.statbank.dk/mpk13.

3. Enterprises in the financial sector

Banking, mortgage lending and insurance activities still separate

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

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

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

Few large and many small banks

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

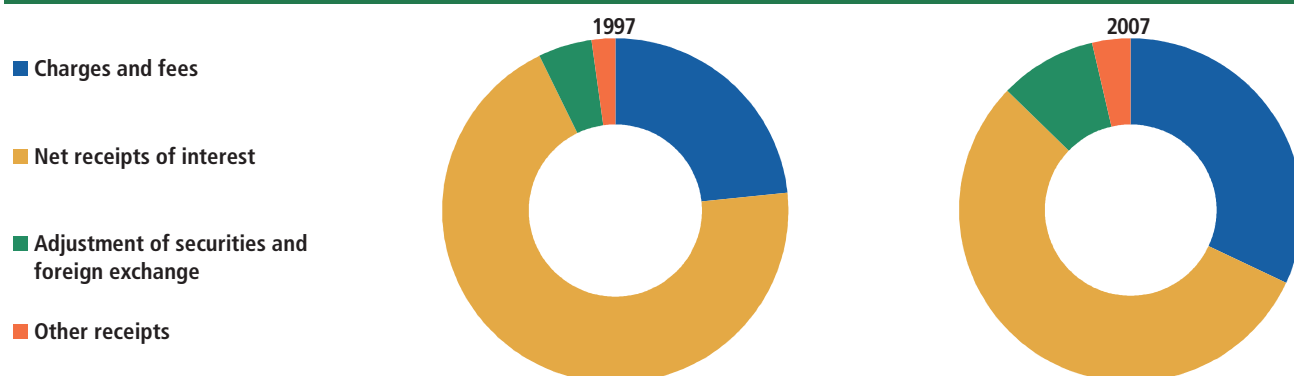
At the end of 2007, 147 banks were registered, of which the two largest account for 70 per cent of the balance sheet total in the sector.

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, an increasing proportion of the banks' earnings derive from charges and fees.

The money and capital markets

Figure 6

The banks' earnings by type



For further information visit www.statbank.dk/mpk39.

Lending activity of mortgage credit institutes depends on interest changes

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

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

Increasing share of personal savings with insurance companies and pension funds

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

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

Vigorous expansion in investment associations

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

The investment associations have expanded vigorously over the past few years. The balance sheet total has increased from DKK 290 billion at the end of 2002 to DKK 892 billion at the end of 2007. In 2007, there were 124 investment associations issuing investment fund shares.

Table 431

Financial sector, main figures

	2006			2007		
	Balance	Companies	Employees	Balance	Companies	Employees
	DKK bn.	number		DKK bn.	number	
Total	8 849	531	61 465	10 060	529	66 662
Banks	3 484	152	41 579	4 285	147	45 042
Mortgage banks	2 319	8	4 174	2 621	8	4 122
The ship Credit fund of Denmark	63	1	53	77	1	57
Securities and broking companies	3	31	371	2	30	425
Investment funds	881	115	306	892	124	300
Non-life insurance companies	149	120	10 509	162	118	12 077
Life insurance companies	1 010	34	3 362	1 054	33	3 671
Non-occupational pension funds	402	28	388	412	28	247
Company pension funds	43	38	35	43	36	36
Labour Market Supplementary Pension	372	1	671	389	1	665
Employees Capital Pension Fund (LD)	64	1	17	63	1	20
Labour market occupational health insurance	5	1	...	6	1	...
Special pension scheme savings	54	1	...	54	1	...

Source: Danish Financial Supervisory Authority.

For further information visit www.statbank.dk/mpk55

Table 432

Denmark's gold and foreign exchange reserve

End of year	2006	2007	2008
	DKK billion		
Danmarks Nationalbanks gold stock	7.7	9.1	9.8
Danmarks Nationalbanks foreign assets	165.1	162.6	210.5
Claims on the International Valuta Fund	3.2	2.5	3.4
The foreign exchange reserve	176.0	174.2	223.7

Source: Danmarks Nationalbank.

Table 433

Money stock

	2006	2007	2008
	DKK billion		
Money stock	860.2	972.8	1 060.0
Notes and coins outside the banking sector	50.7	51.9	50.4
Deposit in banks and savings banks	809.5	920.9	1 009.6
- Demand deposits	648.6	703.2	704.8
- Agreement deposits ¹	160.9	217.7	304.8

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

Source: Danmarks Nationalbank.

Table 434

Profit and loss account and balance sheet of Danmarks Nationalbank

	2006	2007	2008
	DKK mio.		
Profit and loss account			
Net interest receivable	3 368	4 105	4 915
Market value adjustment	-690	1 634	2 246
Dividend on investments	115	134	140
Other income	48	59	26
Costs including depreciation	-606	-751	-590
Net profit of the year	2 235	5 181	6 737
Balance sheet			
Assets, total	364 872	424 540	635 094
Stock of gold	7 700	9 084	9 781
Special drawing rights in the IMF	3 189	2 561	3 406
Foreign assets	164 556	161 722	202 777
Lending	157 207	219 368	370 814
Securities	29 396	28 581	27 308
Other assets	2 824	3 224	21 008
Liabilities , total	364 872	424 540	635 094
Notes in circulation	54 249	55 782	55 612
Coin in circulation	5 518	5 771	5 671
Allocations of Special Drawing Rights	501	1 432	1 460
Foreign liabilities	3 729	4 585	4 293
Deposits	174 458	211 969	246 702
Other liabilities	501	632	503
The Central Government's current account	73 789	89 899	262 789
Equity capital	52 127	54 470	58 064

Source: Danmarks Nationalbank.

For further information visit www.statbank.dk/mpk38

Table 435

Profit and loss account and balance sheet of Danish banks

End of year	2006	2007
Number of banks	152	147
Antal ansatte, ultimo året	41 579	45 042
	DKK mio.	
Profit and loss account		
+Interest income	121 801	169 826
– Interest expenses	85 442	127 264
Net income from interest, net	36 359	42 562
+Share dividends	1 514	1 334
+Charges and commissions income	21 693	24 739
–Charges and commissions expenses	3 801	4 829
Net income from charges and commissions	55 765	63 806
+Revaluation of securities and foreign exchange	12 584	7 025
+Other ordinary income	2 838	2 792
Profit/loss on financial items	71 187	73 623
–Staff and administrative expenses	37 128	42 796
–Depreciation of tangible and intangible assets	2 585	2 943
–Other operating expenses	67	85
–Depreciations and provisions, net	-1 937	-150
+Adjustments of shares	8 945	11 641
Profit/loss on ordinary activities	42 289	39 590
+Extraordinary receipts, net	23	0
Profit/loss before tax	42 312	39 590
–Tax	8 926	7 068
Profit/loss for the year	33 386	32 522
Balance sheets		
Assets, total	3 473 735	4 275 014
Claims on credit institutions, etc.	650 412	751 930
Loans	1 688 709	2 138 432
Bonds, etc.	679 775	758 415
Shares, etc.	31 488	32 519
Holdings in associated and affiliated enterprises	93 256	130 736
Intangible assets	7 902	27 199
Tangible assets	16 631	19 024
Other assets	305 562	416 759
Liabilities, total	3 473 735	4 275 014
Liabilities to credit institutions, etc.	1 038 380	1 265 508
Deposits	1 287 502	1 615 523
Issued bonds, etc.	379 510	448 789
Other liabilities, accruals and deferred income	467 339	603 801
Provisions for liabilities and charges	4 248	4 639
Capital deposits	82 013	93 397
Equity capital	214 743	243 357

Note: Excluding the banks in Greenland.

Source: Danish Financial Supervisory Authority.

For further information visit www.statbank.dk/mpk39

Table 436

Bank credits to residents and residents' deposits with major banks. 2008

	Deposits	Credits ¹
	DKK mio.	
Total	1 595 478	1 564 678
Commercial sector	1 096 565	1 191 939
Agriculture, fishing and quarrying	28 595	65 720
Agriculture, horticulture and forestry	25 012	60 698
Fishing	859	3 284
Mining and quarrying	2 724	1 738
Manufacturing	36 643	109 340
Mfr. of food, beverages and tobacco	3 842	33 220
Mfr. of textiles, wearing apparel, leather	632	4 370
Mfr. of wood products, printing and publishing	2 720	8 001
Mfr. of chemicals, plastic products	17 643	17 852
Mfr. of other non-metallic mineral products	843	3 834
Mfr. of basic metals and fabricated metal products	9 681	34 809
Mfr. of furniture; manufacturing n.e.s.	1 282	7 254
Energy and water supply	10 669	19 698
Construction	16 703	30 633
Wholesale, retail trade, hotels and restaurants, etc.	43 391	100 572
Sale and repair of motor vehicles, sale of fuel	3 997	14 540
Wholesale and commission trade, except motor vehicles	22 648	53 373
Retail trade and repair work, except of motor vehicles	12 749	23 142
Hotels and restaurants, etc.	3 997	9 517
Transport, post and telecommunications	27 987	50 207
Transport	21 690	42 906
Post and telecommunications	6 297	7 301
Financial intermediation, business activities	810 579	695 161
Financial intermediation and insurance	685 813	475 847
Letting and sale of real estate	39 962	129 112
Business activities, etc.	84 804	90 202
Public and personal services	86 564	69 221
Public administration	45 694	44 187
Education	6 864	2 454
Human health activities	13 766	9 738
Social institutions	2 027	987
Refuse collection, associations and recreation activities, etc.	18 213	11 855
Activity not stated	35 434	51 387
Employees, pensioners, etc.	498 913	372 739

Note: Major banks are defined as banks whose balance sheet makes up 93 per cent of the total balance sheet of the sector.

¹ Outstanding amounts at end of year.

Source: Danmarks Nationalbank.

Table 437

Long-term savings schemes with deposit accounts of Danish banks

End of year	2006	2007	Percentage change in relation to previous year
	DKK mio.		per cent
Specific deposit accounts, total	169 575	184 694	8.9
Index-linked pension savings	11 908	11 467	-3.7
Capital-pension accounts	80 170	83 765	4.5
Savings accounts for children	11 006	11 477	4.3
Private pension schemes	3 799	3 848	1.3
Investment-fund accounts	19	16	-15.8
Business establishment savings	906	876	-3.3
Home-savings contracts	568	526	-7.4
Instalment-pension accounts	52 048	64 696	24.3
Savings accounts for education	383	312	-18.5
Premium lottery accounts	8 731	7 671	-12.1
Market fluctuation adjustment accounts	37	40	8.1

Source: Danish Financial Supervisory Authority.

For further information visit www.statbank.dk/mpk43

Table 438

Danish electronic payment card system

	1988	1993	1998	2003	2008
Electronic card system	thousands				
Number of cards	1 321	2 412	2 621	3 434	4 010
Transaction					
Electronic	21 934	147 314	328 975	528 044	796 099
Slips	6 262	24 868	10 867	7 513	295
Turnover	DKK mio.				
Electronic	11 175	46 586	113 203	175 719	279 712
Slips	3 863	9 170	5 658	5 154	185

Note: Transactions using cash points are not included.

Source: Danish Payment Systems.

For further information visit www.statbank.dk/mpk41

Table 439

Mortgage banks

	2006	2007
Number of institutions	8	8
	DKK mio.	
Profit and loss account		
+Interest income	82 145	106 622
– Interest xpenses	70 392	92 648
Net income from interest	11 753	13 974
+Charges and commissions receivable	-304	-803
Net income from charges and commissions	11 449	13 171
– Expenditure of the personnel administration and other operating expenses	4 834	4 818
– Depreciation and provisions on loans	-290	394
+Adjustment of capital interest	5 094	2 761
+Other ordinary receipts	183	47
Profit/loss on ordinary activities	12 182	10 767
+Extraordinary receipts (net)
– Tax	2 808	2 624
Profit/loss for the year	9 374	8 143
Balance sheets		
Assets, total	2 318 658	2 620 657
Claims on credit institutions, etc.	265 674	385 436
Loans	1 851 085	1 994 508
Bonds and shares, etc.	168 229	197 330
Holdings in associated and affiliated enterprices	15 858	20 230
Intangible assets	4 013	4 009
Tangible assets	1 152	1 246
Other assets	12 647	17 897
Liabilities, total	2 318 658	2 620 657
Liabilities to credit institutions	227 436	345 343
Issued bonds, etc.	1 898 421	2 037 069
Other liabilities, accruals and deferred income	50 525	87 065
Provisions for liabilities and charges	2 273	2 266
Capital deposits	16 726	16 114
Equity capital	123 277	132 800

Source: Danish Financial Supervisory Authority.

 For further information visit www.statbank.dk/mpk47 and [mpk48](#)

Table 440

Lending activity of mortgage banks

	2006	2007	2008
	DKK mio.		
Loans incl. index-linked loans, total	158 046	176 823	162 080
Owner-occupied dwellings and holiday homes	105 736	94 664	64 436
Rental housing	24 122	24 720	20 380
Business properties	27 121	55 467	75 890
Other properties	1 067	1 972	1 374

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

Source: Danmarks Nationalbank.

Table 441

Major finance companies, factoring and other loans

	Total activities 2006	Total activities 2007	Status at end of year 2006	Status at end of year 2007
	DKK mio.			
Factoring	30 951	42 408	3 521	4 763
Other loans	15 153	15 090	32 736	35 081

Source: Individual finance company.

For further information visit www.statbank.dk/mpk57

Table 442

Major finance companies, leasing

	2006	2007
	DKK mio.	
Activities in the year		
Total	21 735	23 844
Industrial equipment	3 178	2 969
Edp and office equipment	3 253	2 586
Lorries and vans	8 342	9 751
Passengercars	3 577	3 606
Vessels, aircraft, railway material	130	188
Buildings	379	596
Other	2 876	4 148
Status at end of year	54 198	57 386

Source: Individual finance company.

For further information visit www.statbank.dk/mpk31

Table 443

Consumer credit

End of year	2006	2007	2008
	DKK mio.		
Total	18 194	20 515	21 060
Balance on credit and account cards	6 882	7 550	7 190
Of which, petrol companies	1 563	1 521	1 237
Blank credit	8 279	10 216	11 051
Secured credit	3 033	2 749	2 819

Source: Each individual financing company and credit card company.

For further information visit www.statbank.dk/mpk30

Table 444

Quoted bonds in circulation by holder sector. 2008

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	479 091	2 695 891	304 954	3 479 936
Non-financial corporations	5 274	106 210	15 115	126 599
Financial corporations	46 554	1 531 883	152 772	1 731 209
Monetary financial institutions	18 652	1 287 516	97 121	1 403 289
Other financial institutions	27 902	244 366	55 651	327 919
Insurance and pension funds corporations	169 297	614 258	48 442	831 997
General government	96 837	39 001	7 855	143 693
Central government	96 364	14 427	687	111 478
Local government	463	23 011	7 119	30 593
Social security funds	10	1 563	49	1 622
Households	3 745	107 442	46 507	157 694
Non-profit institutions serving households	896	28 024	1 645	30 565
Sector unknown	6 243	34 324	5 389	45 956
Abroad	150 244	234 749	27 228	412 221

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: The Danish Securities Centre.

Table 445

Owners of quoted shares and unit trust certificates by holder sector. 2008

Share prices, end of year	Issuing companies					
Owners ¹	Non-financial corporations			Financial corporations	Foreigns corporations	Total
	Manufacturing, etc.	Transport, postal services and telecommunications	Other corporations			
	DKK billion					
Total	226.0	196.7	173.6	411.0	28.3	1 035.7
Non-financial corporations	49.5	127.7	34.6	37.1	1.2	250.1
Financial corporations	16.8	8.8	20.8	64.3	6.9	117.6
Insurance and pension funds corporations	12.3	7.6	13.9	55.0	1.3	90.1
General government	0.6	3.7	0.3	4.1	0.6	9.2
Non-profit institutions serving households	30.2	18.1	30.1	204.7	7.9	291.0
Households ²	2.4	1.2	1.2	9.7	0.2	14.7
Abroad	1.6	1.3	2.7	10.2	0.4	16.3
Sector unknown	112.6	28.4	70.0	25.9	9.7	246.6

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.

For further information visit www.statbank.dk/dnvpks

Table 446

Share index

OMXC-index	2006	2007	2008
End of the year	end of 1995 =100		
Total	423	447	228
Energy	218	236	74
Materials	339	369	257
Manufacturing	431	539	259
Discretionary	316	238	79
Consumer goods	192	188	76
Health Care	641	699	515
Finance	607	523	188
ICT	515	395	211
Telecommunication	138	182	151
Utilities	1 363	2 004	552

Source: Copenhagen Stock Exchange.

For further information visit www.statbank.dk/mpk13

Table 447

Yield on bonds

		2006	2007	2008
		per cent p.a.		
Yield				
Government bonds:				
5 year:	End of year	3.92	4.23	3.25
	Annual average	3.59	4.22	4.14
10 year:	End of year	3.95	4.48	3.31
	Annual average	3.81	4.29	4.29
Mortgage credit bonds:				
20 year:	End of year	4.67	5.49	5.35
	Annual average	4.62	5.13	5.61
30 year:	End of year	5.24	5.61	6.21
	Annual average	5.09	5.44	6.09

Source: Danmarks Nationalbank.

Table 448

Pension funds

	Intersectoral pension funds		Corporate pension funds	
	2006	2007	2006	2007
Number of members	668 735	676 737	18 882	18 508
Working members	575 017	576 598	7 760	7 356
Retired members	73 534	79 588	7 979	7 976
Retired spouses	11 992	12 389	2 299	2 340
Children who receive children's pension	8 192	8 162	844	836
DKK mio				
Current annual pension, total	7 095	7 861	1 635	1 689
Pension for members	5 891	6 634	1 357	1 385
Pension for spouses	962	1 022	264	289
Pension for children	242	205	14	15
Miscellaneous income				
Member contributions	14 995	15 559	679	1 017
Of which extraordinary contributions	-	-	326	615
Interest income and profits	10 309	11 085	1 433	1 834
Miscellaneous expenditure¹				
Pensions	8 548	9 715	1 670	1 713
Retirement allowances	651	639	68	80
Assets, total	402 367	412 251	42 920	43 027
Central government bonds ¹	19 615	17 410	4 730	3 379
Local government bond ¹	1 654	1 659	313	271
Mortgage credit bonds, etc. ¹	80 933	80 203	18 521	18 468
Cash at bank and in hand	196	2 178	264	384
Mortgage credits	126	75	1	...
Loans with other collateral	10 082	3 506	2	144
Other assets	289 761	307 220	19 089	20 381
Premium reserves	303 847	301 057	34 465	33 876

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

¹ Book value.

Source: Danish Financial Supervisory Authority.

For further information visit www.statbank.dk/mpk49

Table 449

Discount rate of Danmarks Nationalbank

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

Source: Danmarks Nationalbank.

For further information visit www.statbank.dk/disk

Table 450

Exchange rates

		Currency	2006	2007	2008
			DKK		
Pound sterling	GBP		1 094.32	1 089.81	939.73
Bulgarian lev	BGN		381.38	380.95	381.22
Estonian kroon	EEK		47.67	47.62	47.65
Icelandic krona	ISK		8.55	8.51	...
Latvian lats	LVL		1 071.34	1 064.24	1 061.08
Lituanian litas	LTL		216.03	215.78	215.94
Norwegian krone	NOK		92.71	92.99	91.02
Polish zloty	PLN		191.58	196.96	213.21
Swiss franc	CHF		474.22	453.66	469.90
Slovak koruna	SKK		20.05	22.06	23.89
Swedish krona	SEK		80.62	80.57	77.73
Czech koruna	CZK		26.32	26.85	29.93
Hungarian forint	HUF		2.83	2.96	2.97
EU common currency	EUR		745.91	745.06	745.60
US dollars	USD		594.70	544.56	509.86
Australian dollars	AUD		447.76	456.06	430.79
Canadian dollars	CAD		524.24	508.24	479.15
Hong Kong dollars	HKD		76.55	69.80	65.49
Japanese yen	JPY		5.11	4.62	4.95
Singapore dollars	SGD		374.17	361.21	359.70
Effective rate of DKK 1980 = 100			101.60	103.20	105.80

Note: The rate is the annual average.

Source: Danmarks Nationalbank.

For further information visit www.statbank.dk/mpk101

Table 451

Life assurance companies

	2006	2007
Number of companies	34	33
Profit and loss account	DKK mio.	
A: Insurance activities		
+Premiums net of reinsurance	74 877	82 554
+Allocated investment return transferred from the technical account		
Receipts from insurance activities	32 042	10 315
– Claims incurred, net of reinsurance	106 919	92 869
– Change in life assurance provisions	51 382	57 635
– Administrative expenses	27 524	25 380
– Change in bonus equalization provisions	4 184	4 455
+Result from sickness and accident insurance	21 467	4 088
Result from insurance activities	269	387
	2 631	1 698
B: Investment activities		
+Result from investment activities	35 951	11 128
– Tax on pensions yield	3 909	813
– Allocated investment return transferred to the technical account	29 741	8 837
– Yield on investments carried forward to sickness and accident insurance	-	-
Result from investment activities	2 301	1 478
C: Total activities		
+Result from primary operation	4 932	3 176
+Other ordinary receipts, net	164	232
+Extraordinary receipts, net	0	0
– Taxes	855	700
Net result for the year	4 241	2 708
D: Increase in equity capital		
+Net result of the year	4 241	2 708
– Dividends, etc.	9	8
Increase in equity capital, total	4 232	2 700
Of which allocated to contingency reserve
Balance sheets		
Assets total	1 010 371	1 054 186
A: Investment assets		
Land and buildings	10 405	8 665
Bonds	544 677	542 861
Shares and other capital holdings	281 894	300 041
Loans	15 828	11 283
Other	21 981	24 832
B: Other assets	135 586	166 504
Liabilities, total	1 010 371	1 054 186
Equity capital	56 511	56 787
Provisions	920 530	951 753
Other liabilities	33 330	45 646

Source: Danish Financial Supervisory Authority.

For further information visit www.statbank.dk/mpk50 and mpk51

Table 452

Accounts of non-life insurance companies

	2006	2007
Number of companies	120	118
Profit and loss account	DKK mio.	
A: Insurance activities		
+Gross premiums written, net of reinsure	43 643	49 725
+Technical interest	1 243	1 653
Receipts from insurance activities	44 886	51 378
– Claims incurred, net of reinsurance	28 511	34 986
– Administrative expenses	8 648	8 841
– Other insurance technical items	690	904
Result from insurance activities	7 037	6 647
B: Investment activities		
+Result from investment activities	10 103	7 864
C: Total activities		
Result from primary operation	17 140	14 510
+Other ordinary receipts, net	3 004	-3 569
+Extraordinary receipts, net	724	774
– Taxes	2 916	2 312
Net result for the year	17 954	9 404
D: Increase in equity capital		
Net result for the year	11 867	8 630
+Balancing items	4 634	3 080
+Capital injection	8	21
Increase, total	16 509	11 731
– Dividends, etc.	5 797	5 122
Increase in equity capital, total	10 712	6 609
Of which allocation to contingency reserve	201	...
Balance sheets		
Assets, total	150 984	163 705
A: Investment assets		
Land and buildings	5 192	5 175
Bonds	75 055	85 076
Shares and other capital holdings	47 644	46 076
Loans	787	479
Other	4 548	5 160
B: Other assets	17 758	21 739
Liabilities, total	150 984	163 705
Equity, total	66 532	68 169
Provisions	69 506	82 004
Other liabilities	14 946	13 532

Source: Danish Financial Supervisory Authority.

For further information visit www.statbank.dk/mpk52 and mpk53

Table 453

Non-life insurance by type

	Premiums		Compensation	
	2006	2007	2006	2007
	DKK mio.			
Total	47 641	53 457	29 714	38 066
Total commercial insurance	15 027	16 705	9 947	13 295
Workmen's compensation	3 871	4 525	3 757	3 718
Buildings	3 782	4 569	2 112	4 606
Contents (other than stock and machinery)	3 155	3 282	1 841	2 424
Professional liability	1 489	1 702	707	774
Marine and transport	1 137	1 528	970	1 154
Aviation	889	368	199	143
Other commercial insurance	704	731	361	476
Total private insurance	8 765	10 174	5 988	7 901
Householder's comprehensive	3 318	3 671	2 113	2 707
Homeowner's comprehensive	3 694	4 610	2 544	3 878
Weekend cottages	484	600	249	373
Change of ownership insurance	412	381	477	436
Other private insurance	857	912	605	507
Total personal accident insurance	8 367	10 245	6 171	7 188
Health insurance	424	572	325	521
Single accident and sickness	7 587	9 020	5 631	6 297
Professional disability	356	653	215	370
Total motor vehicle insurance	12 555	14 667	6 536	8 370
Third-party liability	5 196	6 235	2 759	3 320
Vehicle (own damage)	7 359	8 432	3 777	5 050
Credit and suretyship	403	429	7	28
Touristassistance and Legal aid insurance	73	335	33	249
Total direct business	45 190	52 556	28 682	37 031
Total indirect business	2 451	902	1 032	1 035

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.

For further information visit www.statbank.dk/mpk54