

## The money and capital markets

### 1. Capital intermediation

#### Capital transfers from lenders to borrowers.

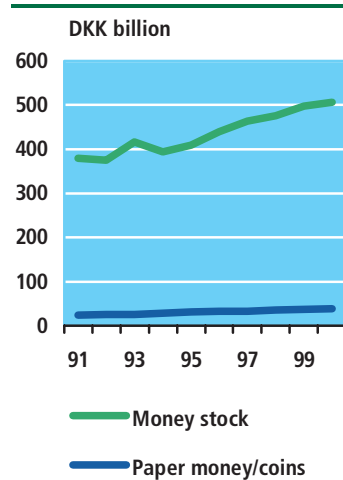
The task of the financial markets is to arrange capital transfers from lenders to borrowers.

Some groups - or "sectors" within society have periods of surplus purchasing power. This happens when the incomes of the relevant sectors exceed their consumption during this period, i.e. when such sectors have savings. Normally, there will be a desire for such surplus purchasing power to be transferred to one or more future periods in order to finance consumption which exceeds the income available at that time. For instance, this is what happens when groups within society save for their pensions.

During the period between the point in time where such surplus purchasing power was achieved and the point in time when it is to be put to use, this surplus purchasing power may be placed at the disposal of others, e.g. for sectors who experience a shortage of purchasing power during the same period. In practical terms, a temporary transfer of purchasing power requires that an agreement is entered into between the two parties, e.g. on the duration and terms of the loan. Such agreements are known as "financial claims".

### 2. Financial claims

**Figure 1**  
**Money stock 1991-2000**



#### Degree of liquidity

Financial claims can be classified in accordance with their degree of liquidity. The degree of liquidity of a claim signifies the degree of security against loss and the ease with which the creditor can exchange the claim for goods and services. The most liquid claims are paper money (notes) and coins. Up until the abolishment of the Gold Standard scheme in 1931, notes and coins were claims against the gold reserves of Danmarks Nationalbank. Notes and coins did, however, remain claims against Danmarks Nationalbank, signed by its management and entered as liabilities on the balance sheet; the only change was that these claims were no longer covered by the gold reserves of Danmarks Nationalbank.

Completely liquid financial claims also include financial claims issued by other financial groups or sectors; such as financial claims in the form of peoples' deposits with banks. These claims are used more or less on a par with notes and coins, e.g. when customers pay by means of cheques or "Dankort" - the Danish electronic payment card system. Most other deposits with banks are also considered to be sufficiently liquid to be directly comparable to notes and coins. The only exception to this general rule are deposits which entail special tax benefits, e.g. children's savings accounts.

#### Money stock

On the whole, the media of exchange used by citizens are particularly liquid claims against the Danmarks Nationalbank and private banks. The sum of these claims is called "the money stock". At the end of 2000, the money stock came to DKK 505.9 billion. Of this amount, deposits with banks accounted for DKK 468.3 billion, or almost 93 per cent.

#### Bonds

Other types of financial claims include bonds, which are of particular importance to the Danish capital market. At the end of 2000, the nominal value of listed bonds was DKK 2,012 billion. Bonds are normally considered to be less liquid in nature than the claims

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mentioned above, as it is difficult to exchange them for goods and services. This applies even more strongly to mortgage bonds and other, less formal claims.

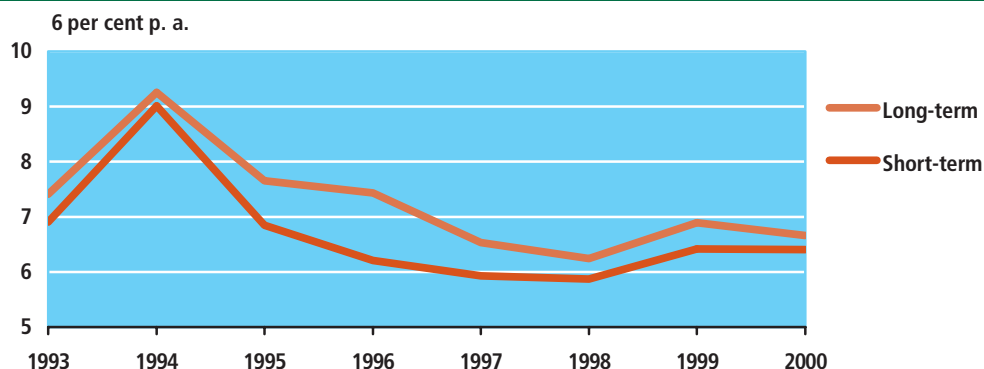
### Interest

Financial claims involve terms for payment of interest and repayment. First of all, the purpose of interest on a financial claim is to provide the lender with some compensation for the postponement of the opportunities of consumption which the loan represents. Secondly, the interest rate should aim to compensate the lender for the fact that the purchasing power of the loan granted may deteriorate during the loan period due to price increases. Finally, interest must also offer compensation to the lender for the risk taken: the borrower may not prove able to repay the loan in its entirety.

The interest rate thus embraces elements of compensation, inflation and risk premium. Compared to the definition of the degree of liquidity of a financial claim it is obvious that there is a relationship between the payment of interest and the degree of liquidity of a claim, the more liquid a claim is, the way in which a creditor can exchange the claim for goods and services is easier and faster. It thus entails that the risk of the creditor is lower, both with regard to the stability of the purchasing power and with regard to the financial standing of the debtor. Consequently, the interest rate of a claim normally varies disproportionately with the degree of liquidity of a claim, implying that the interest rate of long-term claims is higher than for short-term claims.

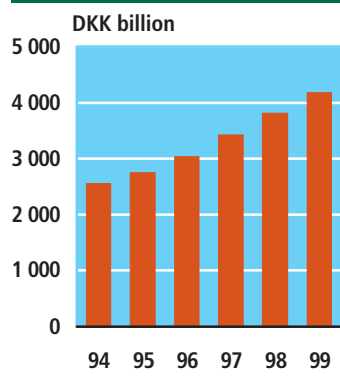
Figure 2

Average effective rate of interest on bonds



Note: This figure shows the average effective rate of interest on mortgage-credit bonds with a nominal rate of interest of 6 per cent: short-term bonds (10 years) and long-term bonds (20 years or more).

Figure 3  
The balance of the capital market institutions



### Capital intermediation

Thus, the capital markets allow lenders to offer up their surplus purchasing power against claims which stipulate specific terms for the payment of interest and the repayment of the loan, while borrowers cover their shortage of purchasing power through interest rates and repayment schedules which suit their financial circumstances. Due to the many possibilities available for the exact construction of the financial claim, it becomes necessary to arrange contact between lenders and borrowers, so that lenders and borrowers with compatible desires as regards claim type, interest rates, and repayment schedules can meet. This is exactly the task solved by the institutions of the capital market. Precisely because of the many different demands for the liquidity and interest terms of claims, the various enterprises within the capital market have specialised in making arrangements for specific types of claims.

In practise, such intermediation of capital usually does not involve direct contact between the lender and borrower; rather, the lender receives a claim against an intermediate enterprise. This enterprise then goes on to re-lend the relevant

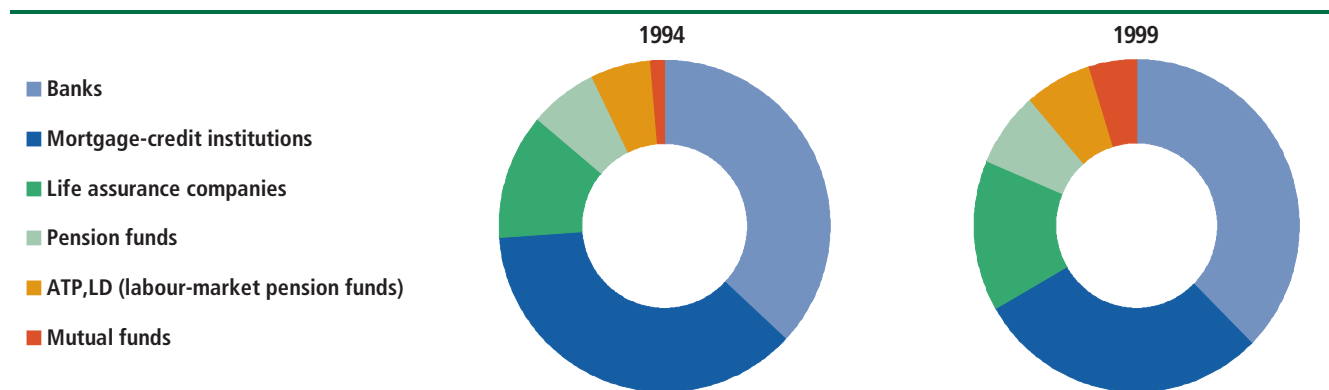
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purchasing power to the final borrower against a claim. Thus, the accounts of financial intermediaries constitute an important source of information to elucidate activity within the money and capital markets.

As described in the above, statistical elucidation of capital intermediation must calculate the amounts which are put at the disposal of borrowers by lenders. It must also elucidate the terms which apply to main types of financial claims. Figure 4 describes development trends on the basis of the assets of the most important institutions which arrange for the redistribution of surplus purchasing power.

Figure 4

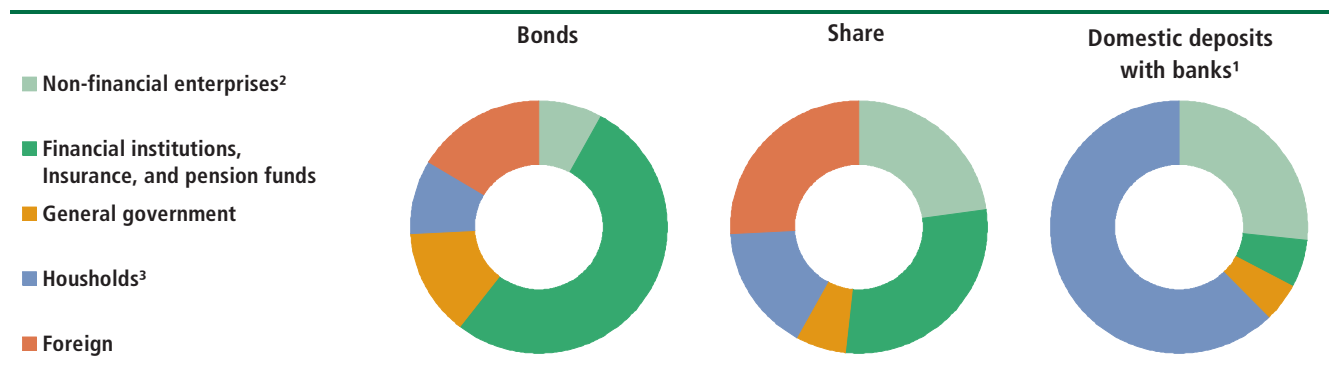
Distribution of total assets by type of financial intermediary



When comparing these amounts, it should be noted that the principles employed in the valuation of assets may differ. The principles used for valuation in life-assurance companies in particular differ from those used by e.g. banks and mortgage-credit institutions. This reservation does not, however, change the fact that capital intermediation in Denmark is dominated by banks and mortgage-credit institutions. It is also clear that banks have strengthened their position in relation to the other financial intermediaries during the period 1994-1999.

Figure 5

Ownership of bonds and shares; bank deposits by sector. End of 2000



1) Not including deposits from other banks  
 2) Incl. "not stated"  
 3) Incl. non-profit institutions

A detailed and complete description of borrower sectors, lender sectors, and claim types is not yet available. For particularly important types of claims, however, borrowers and lenders are recorded in statistics. This applies to bonds, bank deposits and loans, etc.

### Capital transfers without direct involvement financial intermediaries

Many capital transfers take place without direct involvement on the part of financial intermediaries. For example, this applies to capital transfers from the private sector (i.e. enterprises and households) to the Danish State, and to capital transfers which

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are based on shares. As regards capital transfers from the private sector to the Danish State, such transfers mainly take place through private-sector purchases of government bonds and other financial claims issued by the government. Thus, at the end of 2000, the private sector had a stock of government bonds, Treasury notes, and Treasury bills at a total nominal value of DKK 279 billion.

Arrangements for intermediation of capital by means of shares as financial claims take place partly through the issue and sale of listed shares, and partly through the issue of unlisted - and rarely traded - shares. Statistics on ownership of listed shares are available.

Capital intermediation without direct involvement on the part of financial intermediaries also takes place in a number of instances where lending is based directly on the lender's equity capital or on capital which the lender himself borrowed from a financial intermediary. This applies to financing which takes place in the form of financial leasing, as well as to a number of consumer-credit schemes. The scope of such credit arrangement is, however, relatively modest in relation to credit arrangement through credit-arrangement enterprises. Indeed, at the end of 2000, the total value of contracts on financial leasing was DKK 57.5 billion, whereas the total value of loans from consumer-credit companies was DKK 14.0 billion.

Table 422

## Denmark's gold and foreign exchange reserve 1990-2000

Closing	1990	1999	2000
	DKK mio.		
The Danish National bank's gold stock	3 720	4 567	4 683
The Danish National bank's foreign assets	52 707	154 715	110 851
Claims on the European Central Bank	5 200	...	...
Special Drawing Rights in the IMF	1 246	2 536	528
Reserve position in the IMF	1 807	5 905	4 599
<b>The foreign exchange reserve (gross)</b>	<b>64 680</b>	<b>167 723</b>	<b>120 661</b>
Danmarks National Bank's foreign liabilities	1 361	2 425	3 143
<b>The foreign exchange reserve (net)</b>	<b>63 319</b>	<b>165 298</b>	<b>117 517</b>

Source: Danmarks Nationalbank.

Table 423

Danish banking system 1990-2000<sup>1</sup>

	1990	1998 <sup>2</sup>	1999
Number of banks	151	92	95
Employees	54 930	43 081	42 658
<b>Closing:</b>	DKK mio.		
Total assets	1 125 265	1 447 096	1 564 145
Deposits	529 460	692 976	747 781
Loans	497 843	605 299	685 275

<sup>1</sup> Commercial banks, savings banks, and cooperative savings banks. <sup>2</sup> With a working capital of more than DKK 250 mio. (against a previous DKK 100 mio.).

Source: Danish Financial Supervisory Authority.

Table 424

## Money stock

	1998	1999	2000
	DKK mio.		
<b>Money stock</b>	<b>476 233</b>	<b>496 900</b>	<b>505 900</b>
Notes and coins outside the banking sector	34 490	36 900	37 700
Deposits with banks	441 743	460 000	468 300
- Demand deposits	316 544	334 600	345 400
- Deposits at notice	30 457	28 800	23 800
- Time deposits	94 742	96 600	99 100

Table 425

## Profit and loss account and balance sheet of Danmarks Nationalbank

	1999	2000
	DKK mio.	
<b>Profit and loss account</b>		
<b>Interest receivable, etc. total</b>	<b>9 088</b>	<b>10 581</b>
Interest on foreign assets	5 519	5 815
Interest and commission on loans, etc.	1 025	2 203
Interest and dividends on securities	2 544	2 563
<b>Interest payable, etc. total</b>	<b>4 073</b>	<b>5 625</b>
Interest on foreign liabilities	65	134
Interest on deposits, etc.	4 008	5 491
<b>Expenses, total</b>	<b>545</b>	<b>556</b>
Administrative expenses	298	293
Expenses incidental to note production and the Royal Mint	247	263
<b>Exchange-rate and value adjustment, total</b>	<b>-3 082</b>	<b>1 343</b>
Revaluation of gold stock	636	116
Revaluation of foreign-exchange accounts	-2 684	1 126
Revaluation of securities	-1 034	101
<b>Other ordinary receipts</b>	<b>84</b>	<b>- 19</b>
<b>Allocation to reserves, etc.</b>	<b>-1 715</b>	<b>2 658</b>
<b>Net profit of the year</b>	<b>3 188</b>	<b>3 066</b>
<b>Balance sheet</b>		
<b>Assets, total</b>	<b>281 802</b>	<b>237 007</b>
Stock of gold <sup>1</sup>	4 567	4 683
Special drawing rights in the IMF	8 441	5 127
Foreign assets	154 715	110 851
Lending	72 946	67 635
Securities	37 696	39 847
Sundry debtors	3 437	8 864
<b>Liabilities, total</b>	<b>281 802</b>	<b>237 007</b>
Notes in circulation	42 430	40 650
Coin in circulation	3 952	4 148
Foreign liabilities	2 425	3 143
Allocation of Special Drawing Rights in IMF	1 815	1 869
Deposits, etc.	46 404	52 460
Deposit certificates	99 896	51 874
The Central Government's current account	39 678	37 718
Sundry creditors	3 444	729
General capital fund	50	50
General reserve	250	250
Reserve against loss on bonds and shares	41 458	44 116

<sup>1</sup> Holding is valued in 1999 on the basis of: 1 kg fine gold = DKK 68.568. In 2000 the valuation basis is: 1 kg fine gold = DKK 70.307.

Source: Danmarks Nationalbank.

Table 426

## Profit and loss account and balance sheet of Danish banks

Closing	1998	1999
<b>Number of banks<sup>1</sup></b>	<b>92</b>	<b>95</b>
	DKK mio.	
<b>Profit and loss account</b>		
+Interest receivable	75 625	73 493
-Interest payable	47 453	44 468
<b>Net income from interest, net</b>	<b>28 172</b>	<b>29 025</b>
+Share dividends	684	760
+Charges and commissions receivable	10 899	12 602
-Charges and commissions payable	1 424	1 926
<b>Net income from charges and commissions</b>	<b>38 330</b>	<b>40 461</b>
+Revaluation of securities and foreign exchange	999	1 771
+Other ordinary income	2 177	1 885
<b>Profit/loss on financial items</b>	<b>41 506</b>	<b>44 117</b>
-Staff and administrative expenses	24 441	28 774
-Depreciation of tangible and intangible assets	1 855	1 736
-Other operating expenses	84	199
-Depreciations and provisions, net	2 743	2 622
+Adjustments of shares	3 595	3 447
<b>Profit/loss on ordinary activities</b>	<b>13 978</b>	<b>14 233</b>
+Extraordinary receipts, net	-	-
<b>Profit/loss before tax</b>	<b>13 978</b>	<b>14 233</b>
-Tax	2 130	2 465
<b>Profit/loss for the year</b>	<b>11 848</b>	<b>11 768</b>
<b>Balance sheets</b>		
<b>Assets, total</b>	<b>1 447 096</b>	<b>1 564 145</b>
Claims on credit institutions, etc.	318 054	340 038
Loans	605 299	685 275
Bonds, etc.	323 011	329 020
Shares, etc.	33 152	43 591
Holdings in associated and affiliated enterprises	33 368	35 613
Intangible assets	102	111
Tangible assets	13 887	13 725
Other assets	120 223	116 771
<b>Liabilities, total</b>	<b>1 447 096</b>	<b>1 564 145</b>
Liabilities to credit institutions, etc.	411 609	426 762
Deposits	692 976	747 781
Issued bonds, etc.	54 422	94 784
Other liabilities, accruals and deferred income	167 863	162 079
Provisions for liabilities and charges	1 879	1 139
Capital deposits	28 090	37 698
Equity capital	90 257	93 902

Note: Excluding the banks in Greenland, see the section on Greenland.

<sup>1</sup> With a working capital of more than DKK 250 mio.

Source: Danish Financial Supervisory Authority.



Table 427

## Bank credits to residents and residents' deposits with major banks 2000

	Deposits	Credits <sup>1</sup>
	DKK mio.	
<b>Total</b>	<b>698 391</b>	<b>571 883</b>
<b>Wage earners, pensioners, etc.</b>	<b>294 320</b>	<b>144 396</b>
<b>Commercial customers</b>	<b>404 071</b>	<b>427 487</b>
<b>Agriculture, fishing and quarrying</b>	<b>17 756</b>	<b>18 089</b>
Agriculture, horticulture and forestry	12 249	16 873
Fishing, etc.	388	813
Mining and quarrying	5 119	403
<b>Manufacturing</b>	<b>20 575</b>	<b>37 434</b>
Mfr. of food, beverages and tobacco	3 073	11 837
Mfr. of textiles, clothing, leather	710	1 552
Mfr. of paper products, printing and publishing	2 460	4 364
Mfr. of mineral oils, chemicals, and plastic products	3 637	4 938
Mfr. of other non-metallic mineral products	733	665
Mfr. of basic metals and fabricated metal products	9 063	11 942
Mfr. of furniture; manufacturing n.e.s.	899	2 136
<b>Energy and water supply</b>	<b>11 036</b>	<b>3 093</b>
<b>Construction</b>	<b>7 903</b>	<b>8 653</b>
<b>Wholesale, retail trade, hotels and restaurants, etc.</b>	<b>27 377</b>	<b>42 557</b>
Sale and repair of motor vehicles, sale of fuel	2 916	6 185
Wholesale and commission trade, except motor vehicles	15 309	23 619
Retail trade and repair work, except of motor vehicles	7 252	9 865
Hotels and restaurants, etc.	1 900	2 888
<b>Transport, postal services and telecommunications</b>	<b>16 132</b>	<b>13 290</b>
Transport	11 103	12 055
Postal services and telecommunications	5 029	1 235
<b>Financial intermediation, business activities</b>	<b>247 238</b>	<b>268 150</b>
Financial intermediation and insurance	195 511	223 882
Real estate and renting activity	18 941	20 245
Business activities, etc.	32 786	24 023
<b>Public and personal services</b>	<b>37 846</b>	<b>22 259</b>
Public administration, etc.	16 000	11 430
Education	2 871	1 306
Health-care activities, etc.	3 070	1 895
Social institutions, etc.	3 007	2 301
Refuse collection, associations and recreation activities, etc.	12 898	5 327
<b>Industry not known</b>	<b>18 208</b>	<b>13 962</b>

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

<sup>1</sup> Outstanding amounts at end of year.

Table 428

## Long-term savings schemes with deposit accounts of Danish banks

Closing	1998	1999
	DKK mio.	
<b>Specific deposit accounts, total</b>	<b>143 219</b>	<b>149 621</b>
Index-linked pension savings	16 462	15 955
Capital-pension accounts	82 984	87 233
Savings accounts for children	8 915	9 241
Private pension schemes	7 760	7 695
Investment-fund accounts	2 426	1 454
Business establishment savings	1 293	1 202
Home-savings contracts	1 798	1 561
Instalment-pension accounts	10 295	13 721
Savings accounts for education	1 329	1 191
Premium lottery accounts	9 937	10 341
Market fluctuation adjustment accounts	20	27

Source: Danish Financial Supervisory Authority.

Table 429

## Danish electronic payment card system

	1985	1990	1995	2000
<b>Electronic card system</b>	thousands			
Number of cards	609	1 731	2 703	3 018
<b>Transaction, total</b>				
Electronic	106	65 783	218 119	390 851
Slips	1 060	15 803	22 622	8 722
<b>Turnover</b>	DKK mio.			
Electronic	58	30 844	71 026	132 970
Slips	636	8 010	10 870	4 995

Note: Transactions using cash points are not included.

Source: Danish Payment Systems.

Table 430

# Profit and loss account and balance sheet of mortgage credit institutions 1998-1999

	Mortgage credit institutions <sup>1</sup>	
	1998	1999
<b>Number of institutions</b>	<b>10</b>	<b>10</b>
<b>Profit and loss account</b>	DKK mio.	
+ Interest receivable	80 168	77 699
– Interest payments	70 858	68 102
<b>Net income from interest</b>	<b>9 310</b>	<b>9 597</b>
+ Charges and commissions receivable	440	146
<b>Net income from charges and commissions</b>	<b>9 750</b>	<b>9 743</b>
– Expenditure of the personnel administration and other operating expenses	3 540	3 916
– Depreciation and provisions on loans	-50	- 50
+ Adjustment of capital interest	335	- 795
+ Other ordinary receipts	120	136
<b>Profit/loss on ordinary activities</b>	<b>6 714</b>	<b>5 218</b>
+ Extraordinary receipts (net)	-59	0
– Tax	1 949	1 298
<b>Profit/loss for the year</b>	<b>4 706</b>	<b>3 920</b>
<b>Balance sheets</b>		
<b>Assets, total</b>	<b>1 220 965</b>	<b>1 266 118</b>
Claims on credit institutions, etc.	73 506	66 195
Loans	1 033 200	1 093 392
Bonds and shares, etc.	101 063	96 427
Holdings in associated and affiliated enterprises	4 281	4 892
Intangible assets	11	135
Tangible assets	1 858	1 724
Other assets	7 047	3 353
<b>Liabilities, total</b>	<b>1 220 965</b>	<b>1 266 118</b>
Liabilities to credit institutions	22 438	22 239
Issued bonds, etc.	1 098 258	1 145 894
Other liabilities, accruals and deferred income	25 376	23 105
Provisions for liabilities and charges	1 973	1 874
Capital deposits	5 671	5 670
Security capital	3 227	-
Equity capital	64 021	67 334

<sup>1</sup> The debt included in the tables does not include the Mortgage Bank department in Den Danske Bank (Hypotekafdeling). At 31.12.1999 this department had DKK 29 mio. of bond loans.

Source: Danish Financial Supervisory Authority

Table 431

## Lending activity of mortgage credit institutions

	1998	1999	2000
	DKK mio.		
<b>Loans incl. index-linked loans, total</b>	<b>66 926</b>	<b>58 742</b>	<b>48 451</b>
Owner-occupied dwellings and holiday homes	49 644	40 982	34 204
Subsidized construction of residential buildings	2 073	217	295
Private rental housing	5 275	4 642	5 758
Agricultural properties, etc.	6 285	6 690	5 488
Industrial properties, etc.	-199	1 017	368
Office and shop buildings	2 433	3 777	1 622
Properties for social, cultural and educational purposes	1 468	1 427	713
Undeveloped plots	-53	-10	3

Note: Lending by mortgage credit institutions 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 432

## Other bond issuing institutions

	1999	2000
	DKK mio.	
<b>Balance sheets</b>		
<b>Assets, total</b>	<b>195 612</b>	<b>204 563</b>
Loans	146 565	160 014
Cash and bank deposits	14 086	8 846
Bonds <sup>1</sup>	24 577	24 121
Other assets	10 384	11 582
<b>Liabilities, total</b>	<b>195 612</b>	<b>204 563</b>
Bonds in circulation	123 425	127 930
Borrowings	28 747	29 729
Liabilities to domestic banks	11 424	12 513
Other liabilities	9 597	11 061
Capital and reserves	22 419	23 330

Note: Including Danish Ship Finance, Fiskeribanken, FIH – Finance for industry, the Mortgage bank and Financial Administration Agency of the Kingdom of Denmark, and KommuneKredit.

<sup>1</sup> Including treasury bills.

Source: The individual institutions.

**Table 433****Major finance companies, loans, factoring and confirming**

	Total activities 1999 <sup>1</sup>	Total activities 2000	Status at end of year 1999 <sup>1</sup>	Status at end of year
	DKK mio.			
Loans	9 197	6 704	18 293	16 025
Factoring	22 949	29 369	2 367	2 676
Confirming	59	81	25	40

<sup>1</sup> Revised figures.

Source: Individual finance company.

**Table 434****Major finance companies, leasing**

		Activities							Status at end of year
		Industrial equipment	Edp and office equipment	Lorries and vans	Passenger cars	Vessels, aircraft, railway material	Buildings	Other	
		DKK mio.							
Leasing	2000	2 589	5 950	3 492	2 772	2 510	1 949	1 222	20 484
	1999 <sup>1</sup>	1 943	4 453	2 788	2 385	805	1 185	1 162	14 721

<sup>1</sup> Revised figures.

Source: Individual finance company.

Tabel 435

## Consumer credit, etc.

End of year	2000
	mio. kr.
<b>Total</b>	<b>14 014.1</b>
Balance on credit and account cards	5 561.9
Credit agreements	5 725.0
Of which loans secured upon cars and yachts	4 048.7
Loans	2 727.1

Source: Each individual financing company and credit card company.

Table 436

## Quoted bonds in circulation by holder sector 2000

Nominal value at the end of the year	Central government bonds, etc.	Bonds issued by mortgage credit associations, etc. <sup>1</sup>	Other quoted bonds <sup>2</sup>	Total
	DKK mio.			
<b>Total</b>	<b>633 952</b>	<b>1 236 358</b>	<b>141 567</b>	<b>2 011 877</b>
<b>Non-financial corporate sector</b>	<b>29 937</b>	<b>74 096</b>	<b>5 580</b>	<b>109 613</b>
<b>Financial institutions</b>	<b>148 645</b>	<b>394 489</b>	<b>46 327</b>	<b>589 461</b>
Monetary institutions	105 413	314 961	29 621	449 995
Other financial institutions	43 232	79 528	16 706	139 466
<b>Insurance companies and pension funds</b>	<b>61 326</b>	<b>376 239</b>	<b>29 582</b>	<b>467 147</b>
<b>General government</b>	<b>147 507</b>	<b>118 656</b>	<b>10 573</b>	<b>276 736</b>
Central government sector	139 632	103 765	9 808	253 205
Local government sector	7 875	14 891	765	23 531
Social-security funds <sup>3</sup>	...	...	...	...
<b>Non-profit institutions serving households</b>	<b>8 367</b>	<b>20 462</b>	<b>991</b>	<b>29 820</b>
<b>Household sector</b>	<b>18 230</b>	<b>99 491</b>	<b>37 199</b>	<b>154 920</b>
<b>Not stated</b>	<b>12 538</b>	<b>36 237</b>	<b>2 906</b>	<b>51 681</b>
<b>Rest of the world</b>	<b>207 402</b>	<b>116 688</b>	<b>8 409</b>	<b>332 499</b>

<sup>1</sup> Bonds issued by mortgage credit associations and bonds issued by other institutions that issue bonds. <sup>2</sup> Local government bonds, Bonds issued by the Ship Credit Fund of Denmark, debentures, foreign bonds and CMO bonds. <sup>3</sup> Bond holdings in this sector have been transferred to Central Government sector.

Source: The Danish Securities Centre.

Tabel 437

### Owners of quoted bonds and unit trust certificates by holder sector 2000

Share prices, end of year	Issuing companies						Total
	Manufac- turing, etc. <sup>1</sup>	Wholesale and retail trade, hotels and restaurants, etc.	Transport, postal services and telecommu- nications	Financial interme- diation, business activities	Public and personal services	Foreign companies	
Owners <sup>2</sup>	DKK mio.						
<b>Total</b>	<b>281 783</b>	<b>17 029</b>	<b>247 218</b>	<b>396 254</b>	<b>22 777</b>	<b>38 235</b>	<b>1 003 297</b>
<b>Non-financial corporate sector</b>	<b>48 243</b>	<b>3 965</b>	<b>66 653</b>	<b>45 253</b>	<b>640</b>	<b>542</b>	<b>165 297</b>
<b>Financial institutions</b>	<b>52 803</b>	<b>2 809</b>	<b>13 706</b>	<b>87 607</b>	<b>1 469</b>	<b>19 686</b>	<b>178 080</b>
Monetary institutions	6 797	833	5 862	48 348	548	1 123	63 509
Other financial institutions	46 006	1 977	7 844	39 260	921	18 563	114 571
<b>Insurance companies and pension funds</b>	<b>31 231</b>	<b>2 911</b>	<b>28 422</b>	<b>41 884</b>	<b>4 170</b>	<b>4 728</b>	<b>113 345</b>
<b>General government</b>	<b>19 617</b>	<b>1 202</b>	<b>17 148</b>	<b>23 428</b>	<b>1 306</b>	<b>325</b>	<b>63 025</b>
Central government sector	17 692	1 138	16 335	21 624	1 294	3	58 087
Local government sector	1 925	63	812	1 804	12	322	4 938
Social-security funds <sup>3</sup>	...	...	...	...	...	...	...
<b>Non-profit institutions serving households</b>	<b>584</b>	<b>52</b>	<b>764</b>	<b>3 266</b>	<b>59</b>	<b>190</b>	<b>4 915</b>
<b>Household sector</b>	<b>28 949</b>	<b>3 204</b>	<b>18 788</b>	<b>97 174</b>	<b>1 523</b>	<b>7 100</b>	<b>156 740</b>
<b>Not stated</b>	<b>12 410</b>	<b>1 463</b>	<b>21 957</b>	<b>25 349</b>	<b>999</b>	<b>853</b>	<b>63 032</b>
<b>Rest of the world</b>	<b>87 946</b>	<b>1 423</b>	<b>79 781</b>	<b>72 291</b>	<b>12 610</b>	<b>4 812</b>	<b>258 862</b>

<sup>1</sup> Manufacturing, energy and water supply and construction. <sup>2</sup> Owners are defined as account holders with the Danish Securities Centre. <sup>3</sup> Bond holdings in this sector have been transferred to Central Government sector.

Source: The Danish Securities Centre.

Table 438

### Share price index

	1990	1999	2000
<b>Annual average</b>	Start of Jan. 1983=100		
<b>Total</b>	<b>358</b>	<b>665</b>	<b>898</b>
Banks	251	428	551
Insurance	852	790	749
Trade and services	435	1 176	1 367
Shipping	665	1 785	2 286
Manufacturing	261	488	786
Investment companies	511	251	254

Table 439

## Yield on bonds

		1998	1999 <sup>1</sup>	2000
		per cent p.a.		
<b>Yield</b>				
<b>Government bonds:</b>				
5 year:	End of year	4,06	5,18	5,07
	Annual average	4,73	4,48	5,56
10 year:	End of year	4,37	5,50	5,20
	Annual average	5,03	4,94	5,65
<b>Mortgage credit bonds:</b>				
20 year:	End of year	6,19	7,22	7,21
	Annual average	6,27	6,60	7,33
30 year:	End of year	7,11	7,43	7,31
	Annual average	7,13	7,27	7,45

<sup>1</sup> Revised figures.

Source: Danmarks Nationalbank.



Table 440

## Pension funds

	Pension funds subject to legislation governing insurance activities			Pension funds subject to legislation governing supervision of company pension funds		
	1997	1998	1999	1997	1998	1999
<b>Number of funds</b>	<b>31</b>	<b>31</b>	<b>32</b>	<b>63</b>	<b>60</b>	<b>56</b>
<b>Number of members</b>	<b>563 182</b>	<b>586 722</b>	<b>631 441</b>	<b>25 395</b>	<b>24 031</b>	<b>23 679</b>
Working members	511 043	531 604	573 014	14 092	13 088	12 440
Retired members	35 861	38 207	41 225	7 973	7 731	7 944
Retired spouses	8 554	9 044	9 163	3 023	2 774	2 779
Children who receive children's pension	7 724	7 867	8 039	307	438	516
	DKK millions					
<b>Current annual pension, total</b>	<b>3 131</b>	<b>3 452</b>	<b>3 566</b>	<b>1 427</b>	<b>1 438</b>	<b>1 504</b>
Pension for members	2 389	2 665	2 805	1 150	1 160	1 218
Pension for spouses	570	613	592	271	271	277
Pension for children	172	174	169	6	7	9
<b>Miscellaneous income</b>						
Member contributions	7 553	8 464	9 298	488	357	408
Of which extraordinary contributions	...	...	...	154	79	76
Interest income and profits	8 851	9 406	9 040	2 298	2 245	2 269
<b>Miscellaneous expenditure<sup>1</sup></b>						
Pensions	3 716	4 155	4 496	1 420	1 408	1 499
Retirement allowances	517	546	514	613	154	174
<b>Assets, total</b>	<b>181 774</b>	<b>213 599</b>	<b>253 967</b>	<b>37 510</b>	<b>38 175</b>	<b>43 513</b>
Central government bonds <sup>1</sup>	13 354	15 414	19 533	4 141	4 834	5 210
Local government bond <sup>1</sup>	2 950	3 937	6 008	87	47	1
Mortgage credit bonds, etc. <sup>1</sup>	84 756	92 432	88 543	20 438	20 088	19 294
Cash at bank and in hand	2 228	1 592	2 939	1 046	202	122
Mortgage credits	954	748	597	24	16	9
Loans with other collateral	243	184	145	13	10	35
Other assets	77 289	99 292	136 202	11 761	12 978	18 842
<b>Premium reserves</b>	<b>157 009</b>	<b>169 984</b>	<b>188 791</b>	<b>30 303</b>	<b>30 051</b>	<b>30 595</b>

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

<sup>1</sup> Book value.

Source: The Danish Financial Supervisory Authority

Table 441

## Discount rate of Danmarks Nationalbank 1991-2001

Discount rate		Discount rate		Discount rate	
<b>1991</b>		22. december	6¼%	<b>1998</b>	
2. januar	9½%	<b>1994</b>	6%	6. maj	4%
22. maj	9%			29. maj	3¾%
16. august	9½%			21. september	4¼%
21. oktober	9%			5. november	4%
20. december	9½%			4. december	3½%
<b>1993</b>		15. april	5¼%	<b>1999</b>	
4. februar	11½%	13. maj	5%	4. februar	3¼%
22. februar	10½%	<b>1995</b>		9. april	2¾%
19. marts	10%	8. marts	6%	5. november	3%
29. marts	9½%	6. juli	5¾%	<b>2000</b>	
23. april	9¼%	3. august	5½%	4. februar	3¼%
19. maj	8¼%	25. august	5%	17. marts	3½%
8. juni	7¾%	9. november	4¾%	28. april	3¾%
2. juli	7¼%	15. december	4¼%	9. juni	4¼%
19. juli	9¼%	<b>1996</b>		1. september	4½%
16. september	8¾%	25. januar	4%	6. oktober	4¾%
27. september	8¼%	7. marts	3¾%	<b>2001</b>	
12. oktober	7¾%	19. april	3¼%	14. maj	4½%
22. oktober	7¼%	<b>1997</b>			
4. november	7%	10. oktober	3½%		
16. november	6¾%				
29. november	6½%				

Source: Danmarks Nationalbank.

Table 442

## Exchange rates in Copenhagen

	Currency	1998	1999	2000
		DKK		
Belgium	BEF	18,46	18,43	18,48
Canada	CAD	452,27	470,26	544,49
United Kingdom	GBP	1 109,36	1 129,49	1 223,32
Finland	FIM	125,36	125,06	125,36
France	FRF	113,60	113,36	113,63
Greece	GRD	2,270	2,283	2,214
Netherlands	NLG	337,86	337,41	338,23
Ireland	IEP	953,82	944,13	946,42
Iceland	ISK	9,41	9,64	10,27
Italy	ITL	0,3858	0,3840	0,3849
Japan	JPY	5,1339	6,1755	7,5081
Norway	NOK	88,70	89,47	91,89
Portugal	PTE	3,718	3,709	3,718
Switzerland	CHF	462,37	464,63	478,68
Spain	ESP	4,486	4,469	4,480
Sweden	SEK	84,23	84,46	88,26
Germany	DEM	380,84	380,18	381,10
United States	USD	669,70	698,34	809,03
Austria	ATS	54,129	54,037	54,168
EU common currency <sup>1</sup>	EUR	751,37	743,56	745,37
Effective rate of DKK 1980=100		101,3	99,6	95,6

Note: The rate is the annual average.

<sup>1</sup> From 1 January 1999 Euro.

Source: Danmarks Nationalbank.

Table 443

## Life assurance companies

	1998	1999
<b>Number of companies</b>	<b>59</b>	<b>61</b>
<b>Profit and loss account</b>	DKK mio.	
<b>A: Insurance activities</b>		
+Premiums net of reinsurance	40 942	37 716
+Allocated investment return transferred from the technical account	25 718	66 610
Receipts from insurance activities	66 660	104 326
-Claims incurred, net of reinsurance	22 937	25 829
-Change in life assurance provisions	45 657	36 314
-Administrative expenses	2 856	3 017
-Change in bonus equalization provisions	-4 784	40 716
+Result from sickness and accident insurance	30	504
Result from insurance activities	24	-1 046
<b>B: Investment activities</b>		
+Result from investment activities	34 447	82 023
-Real interest tax	5 620	7 022
-Allocated investment return transferred to the technical account	25 718	66 610
-Yield on investments carried forward to sickness and accident insurance	184	562
Result from investment activities	2 925	7 829
<b>C: Total activities</b>		
+Result from primary operation	2 949	6 783
+Other ordinary receipts, net	-30	8
+Extraordinary receipts, net	59	87
-Taxes	732	2 179
Net result for the year	2 247	4 699
<b>D: Increase in equity capital</b>		
+Net result of the year	2 247	4 699
+Balancing items	12	4
+Capital injection	-1 441	-1 368
-Dividends, etc.	75	133
Increase in equity capital, total	743	3 222
Of which allocated to contingency reserve	-28	-
<b>Balance sheets</b>		
<b>Assets total</b>	<b>511 243</b>	<b>610 320</b>
<b>A: Investment assets</b>		
Land and buildings	6 027	9 081
Bonds	290 377	303 926
Shares and other capital holdings	179 033	255 044
Loans	3 739	3 714
Other	17 871	16 140
<b>B: Other assets</b>	<b>14 196</b>	<b>22 415</b>
<b>Liabilities, total</b>	<b>511 243</b>	<b>610 320</b>
Equity capital	50 198	62 825
Provisions	449 117	527 108
Other liabilities	11 928	20 387

Source: Danish Financial Supervisory Authority.

Table 444

## Accounts of non-life insurance companies

	1998	1999
<b>Number of companies</b>	<b>150</b>	<b>142</b>
<b>Profit and loss account</b>	DKK mio.	
<b>A: Insurance activities</b>		
+Gross premiums written	30 882	31 473
+Technical interest	1 711	1 509
Receipts from insurance activities	32 593	32 982
-Claims incurred, net of reinsurance	23 259	27 455
-Administrative expenses	9 035	9 559
-Other insurance technical items	210	-932
Result from insurance activities	89	-3 100
<b>B: Investment activities</b>		
+Result from investment activities	5 282	3 457
<b>C: Total activities</b>		
Result from primary operation	5 371	357
+Other ordinary receipts, net	-	-8
+Extraordinary receipts, net	-2	-244
-Taxes	785	-74
Net result for the year	4 584	179
<b>D: Increase in equity capital</b>		
Net result for the year	4 584	179
+Capital injection	32	3 944
+Balancing items	-88	-126
Increase, total	4 528	3 997
-Dividends, etc.	1 804	4 289
Increase in equity capital, total	2 724	-292
Of which allocation to contingency reserve	-147	-45
<b>Balance sheets</b>		
<b>Assets, total</b>	<b>112 064</b>	<b>103 970</b>
<b>A: Investment assets</b>		
Land and buildings	3 263	2 874
Bonds	51 449	44 703
Shares and other capital holdings	38 337	37 614
Loans	2 335	2 951
Other	3 256	1 176
<b>B: Other assets</b>	<b>13 424</b>	<b>14 652</b>
<b>Liabilities, total</b>	<b>112 064</b>	<b>103 970</b>
Equity, total	52 233	40 713
Provisions	59 311	62 877
Other liabilities	520	380

Source: Danish Financial Supervisory Authority.

Table 445

## Non-life insurance by type 1999

	Number	Premiums	Compensation
		DKK mio.	
<b>Total</b>	<b>152</b>	<b>34 185</b>	<b>36 154</b>
<b>Total commercial insurance</b>	<b>113</b>	<b>8 504</b>	<b>12 140</b>
Workmen's compensation	19	1 476	1 473
Buildings	39	2 725	6 776
Contents (other than stock and machinery)	70	2 004	2 111
Professional liability	35	899	682
Marine and transport	31	748	747
Aviation	10	53	47
Other commercial insurance	27	599	304
<b>Total private insurance</b>	<b>62</b>	<b>5 974</b>	<b>6 016</b>
Householder's comprehensive	49	2 365	1 572
Homeowner's comprehensive	46	2 713	3 736
Weekend cottages	43	360	381
Other private insurance	48	536	327
<b>Total personal accident insurance</b>	<b>63</b>	<b>4 610</b>	<b>3 666</b>
Single accident and sickness	52	4 357	3 493
Professional disability	20	253	173
<b>Total motor vehicle insurance</b>	<b>41</b>	<b>8 457</b>	<b>7 408</b>
Third-party liability	40	2 876	3 201
Vehicle (own damage)	39	5 581	4 207
<b>Credit and suretyship</b>	<b>9</b>	<b>190</b>	<b>-106</b>
<b>Legal aid insurance</b>	<b>1</b>	<b>2</b>	<b>1</b>
<b>Total direct business</b>	<b>147</b>	<b>27 737</b>	<b>29 126</b>
Of which abroad	...	988	703
<b>Total indirect business</b>	<b>25</b>	<b>6 448</b>	<b>7 029</b>
Of which abroad	...	4 968	5 205

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: The Danish Financial Supervisory Authority.