

The money and capital markets

1. Capital intermediation

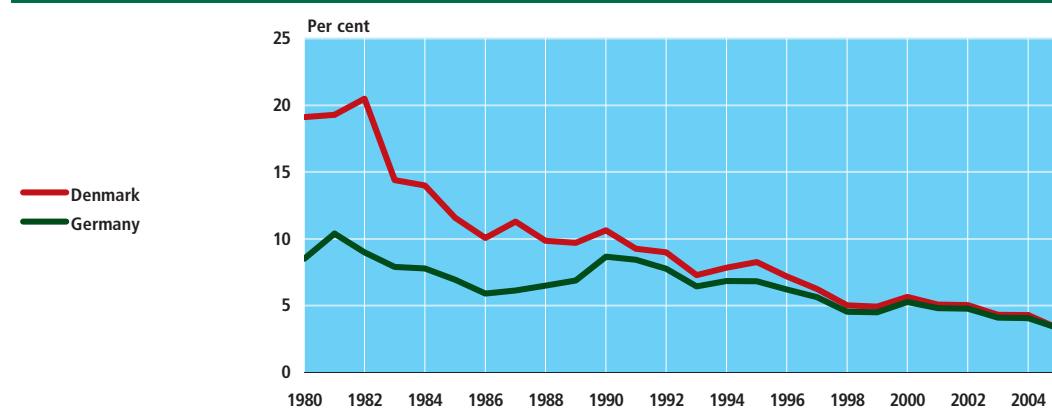
Capital transfers from lenders to borrowers

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 2005 it was down to 0.

Figure 1 Interest rate on ten-year government bonds 1980-2005



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.

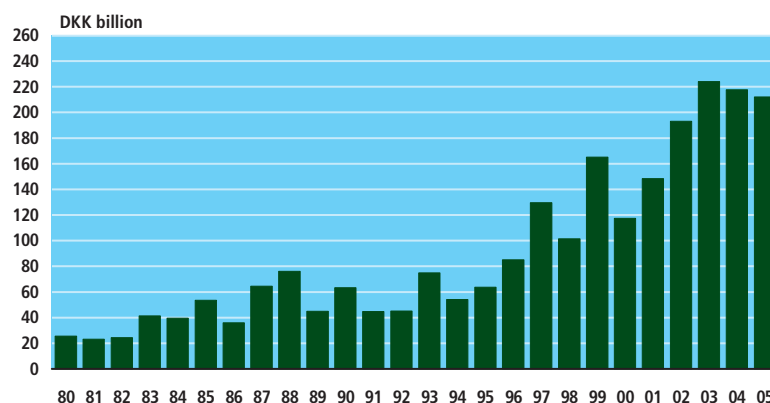
The short-term interest rate can be controlled centrally. The central bank of Denmark (Danmarks Nationalbank) can adjust the volume and price of liquidity in relation to the banks. The interest that the banks receive from or pay to Danmarks Nationalbank influences the interest rates fixed by the banks 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 stabilising 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 2005. 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.

Figure 2 Foreign exchange reserve 1980-2005



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 that 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, Slovenia, Latvia, Cyprus, Malta and Slovakia. The agreement is called ERM II

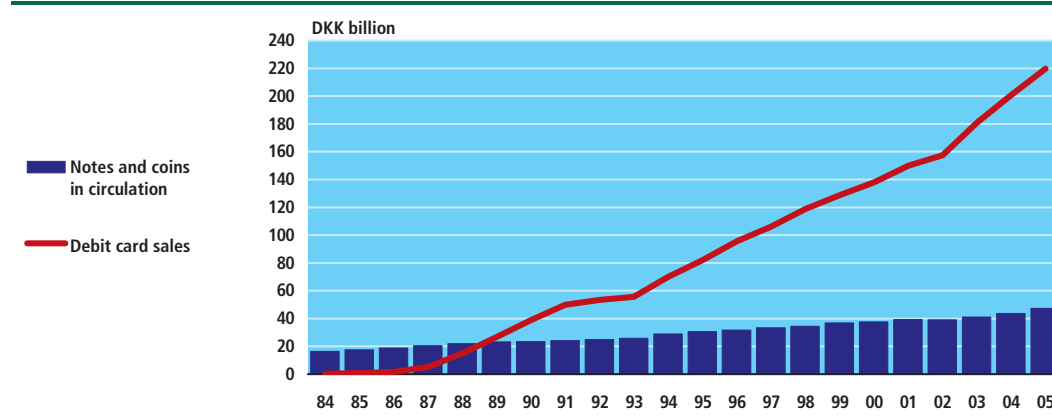
(Exchange Rate Mechanism II) and is very similar to the former co-operation under the European Monetary System. The purpose of ERM II is to retain the exchange rates within the agreed fluctuation band on ± 15 per cent in relation to the central rate. Denmark has a narrower fluctuation band on ± 2.25 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 meant 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.

Figure 3 Dankort (debit card) sales and notes and coins in circulation 1984-2005



Difficult to estimate the money stock

It is increasingly difficult to estimate the amount of liquidity available in 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

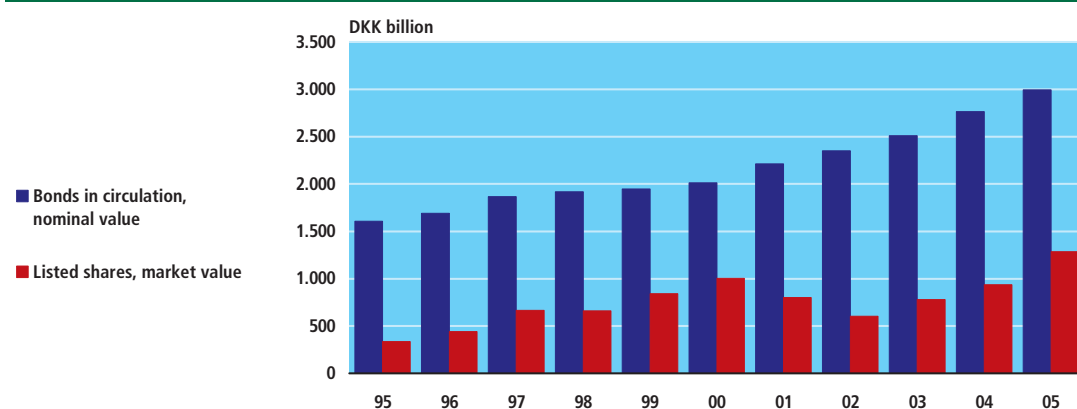
Bonds are liquid, standardized debt instruments with low risk and a fixed repayment profile. Before the introduction of the euro, the Danish bond market was among the largest in Europe¹. The market is dominated by government bonds and mortgage bonds.

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 2005, 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 2005 compared to about 4 per cent in 1995.

Figure 4

Shares and bonds traded on the Copenhagen Stock Exchange 1995-2005



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.

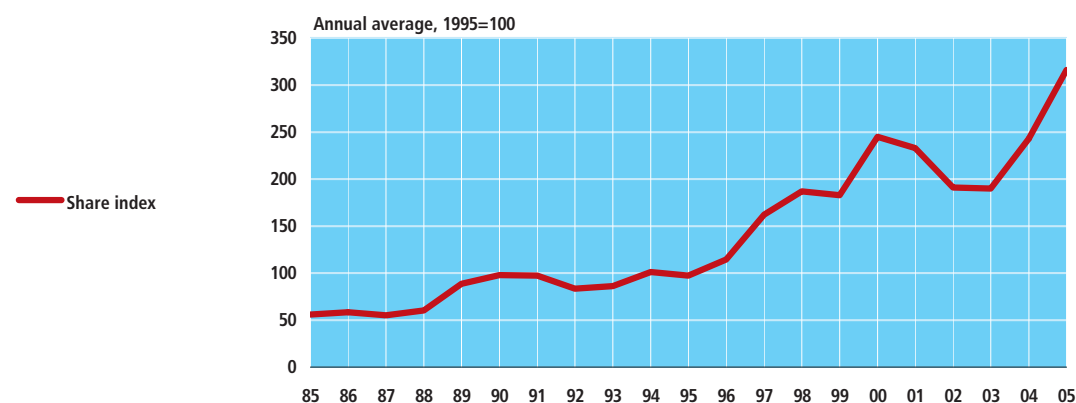
The Danish stock market is not as large as the bond market. It reflects the Danish corporate structure, which is characterised by many small and medium-sized enterprises without the tradition found abroad of entering the stock market to finance their need for capital. In 2004, 185 companies were listed on the Stock Exchange, of which the 20 largest accounted for 76 per cent of the total volume of

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.

listed shares. The rate of turnover is not as high for shares as for bonds: In 2004, a share was traded 0.7 times on average, while a bond was traded 2.5 times.

Figure 5

OMXC, index of all shares at market value 1985-2005



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 KFX, which is a weighted market value index of the 20 largest and most traded shares. From 1985 up to 1995, the general price level was largely stable. The ensuing years saw a trend of increasing prices reflecting the trends in the international markets. In 1998, 2001 and 2002, price decreases were widespread and in line with the share price development in the foreign markets.

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 means 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.

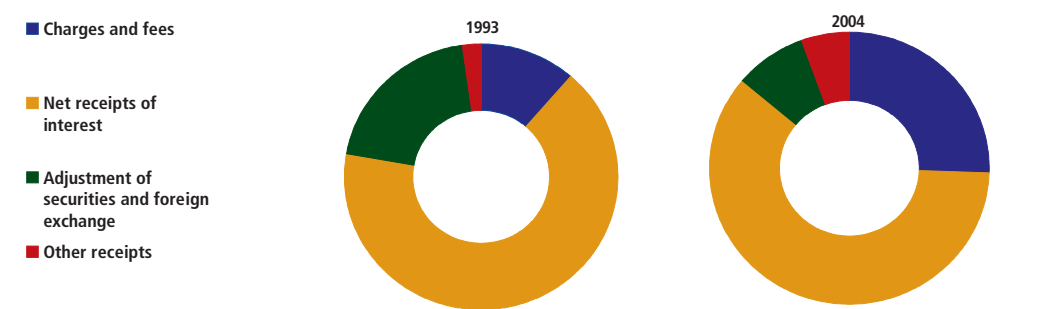
Few large and many small banks

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 2004, 172 banks were registered, of which the two largest account for 73 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, including in consumption and investing activities. The interest margin, i.e. the

difference between lending and deposit interest rates, also attracts attention. An increasing proportion of the banks' earnings derive from charges and fees, however.

Figure 6 The banks' earnings by type



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 remortgaging, 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. From 1996 to 2002, the number of associations rose from 55 to 132, and their aggregate balance sheet total increased by 418 per cent during the same period. In 2004, there were 105 investment associations. Like in the banking sector, the concentration is relatively high as the investment associations in most cases are connected with a bank.

Table 440

Financial sector, main figures

	2003			2004		
	Balance	Companies	Employees	Balance	Companies	Employees
	DKK bn.	number		DKK bn.	number	
Total	6 220	548	54 972	7 015	558	54 925
Banks	2 332	176	38 740	2 532	172	38 685
Mortgage banks	1 903	8	4 261	2 121	8	4 588
The ship Credit fund of Denmark	65	1	51	60	1	55
Securities and broking companies	1	28	272	1	32	320
Investment funds	366	89	0	573	105	0
Non-life insurance companies	118	124	9 085	125	125	9 003
Life insurance companies	732	41	1 723	810	37	1 456
Non-occupational pension funds	302	30	490	339	30	516
Company pension funds	38	47	40	39	44	38
Labour Market Supplementary Pension	263	1	193	307	1	170
Employees Capital Pension Fund (LD)	54	1	45	58	1	46
Labour market occupational health insurance	2	1	72	3	1	48
Special pension scheme savings	43	1	0	47	1	0

Source: Danish Financial Supervisory Authority.

For further information visit www.statbank.dk/mpk55

Table 441

Denmark's gold and foreign exchange reserve

Closing	2003	2004	2005
	DKK billion		
Danmarks Nationalbanks gold stock	5.3	5.1	6.9
Danmarks Nationalbanks foreign assets	214.4	208.5	204.2
Claims on the International Valuta Fund	7.4	5.7	3.6
The foreign exchange reserve (gross)	227.2	219.3	214.7
- Danmarks Nationalbanks foreign liability	3.0	1.6	2.4
The foreign exchange reserve (net)	224.2	217.6	212.3

Source: Danmarks Nationalbank.

For further information visit www.statbank.dk/mpk15

Table 442

Money stock

	2003	2004	2005
	DKK billion		
Money stock	680.6	699.1	798.5
Notes and coins outside the banking sector	41.0	43.7	47.3
Deposit in banks and savings banks	639.6	655.3	751.2
- Demand deposits	428.2	492.8	596.3
- Agreement deposits ¹	211.4	162.5	154.9

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

Source: Danmarks Nationalbank.

For further information visit www.statbank.dk/mpk12

Table 443

Profit and loss account and balance sheet of Danmarks Nationalbank

	2004	2005
Profit and loss account	DKK mio.	
Interest receivable, etc. total	9 243	9 349
Interest on foreign assets	5 623	5 420
Interest and commission on loans, etc.	1 730	2 162
Interest and dividends on securities	1 890	1 767
Interest payable, etc. total	5 218	5 665
Interest on foreign liabilities	32	44
Interest on deposits, etc.	5 186	5 621
Expenses, total	550	804
Administrative expenses	317	326
Other expenses	233	478
Exchange-rate and value adjustment, total	- 662	1 210
Revaluation of gold stock	- 174	1 818
Revaluation of foreign-exchange accounts	- 562	- 97
Revaluation of securities	74	- 511
Other ordinary receipts	84	848
Allocation to reserves, etc.	92	1 984
Net profit of the year	2 805	2 954
Balance sheet		
Assets, total	337 066	391 996
Stock of gold	5 124	6 941
Special drawing rights in the IMF	5 684	3 557
Foreign assets	208 456	204 204
Lending	76 047	139 619
Securities	37 732	35 077
Other assets	4 023	2 598
Liabilities, total	337 066	391 996
Notes in circulation	47 047	50 953
Coin in circulation	4 992	5 264
Allocation of Special Drawing Rights in IMF	1 514	1 614
Deposits	1 633	2 391
Deposit certificates	9 693	15 028
The Central Government's current account	160 379	207 582
Other liabilities	60 810	56 428

Source: Danmarks Nationalbank.


 For further information visit www.statbank.dk/mpk37 and [mpk38](http://www.statbank.dk/mpk38)

Table 444

Profit and loss account and balance sheet of Danish banks

Closing	2003	2004
Number of banks	176	172
Antal ansatte, ultimo året	38 740	38 685
	DKK mio.	
Profit and loss account		
+Interest income	76 424	77 442
–Interest expenses	39 478	42 315
Net income from interest, net	36 946	35 127
+Share dividends	791	1 073
+Charges and commissions income	15 760	17 654
–Charges and commissions expenses	2 625	2 940
Net income from charges and commissions	50 872	50 914
+Revaluation of securities and foreign exchange	4 380	3 685
+Other ordinary income	2 790	3 248
Profit/loss on financial items	58 042	57 847
–Staff and administrative expenses	31 350	33 017
–Depreciation of tangible and intangible assets	1 267	1 312
–Other operating expenses	311	59
–Depreciations and provisions, net	5 077	1 639
+Adjustments of shares	7 816	8 973
Profit/loss on ordinary activities	27 853	30 793
+Extraordinary receipts, net	0	0
Profit/loss before tax	27 853	30 793
–Tax	7 240	7 943
Profit/loss for the year	20 613	22 850
Balance sheets		
Assets, total	2 319 346	2 521 127
Claims on credit institutions, etc.	506 343	511 275
Loans	933 068	1 065 196
Bonds, etc.	609 962	597 277
Shares, etc.	38 796	43 167
Holdings in associated and affiliated enterprises	68 032	72 230
Intangible assets	105	453
Tangible assets	11 051	10 799
Other assets	151 988	220 730
Liabilities, total	2 319 346	2 521 127
Liabilities to credit institutions, etc.	705 718	704 447
Deposits	929 561	1 031 765
Issued bonds, etc.	216 646	236 246
Other liabilities, accruals and deferred income	275 469	345 153
Provisions for liabilities and charges	2 330	2 815
Capital deposits	52 007	56 544
Equity capital	137 616	144 156

Note. Excluding the banks in Greenland.

Source: Danish Financial Supervisory Authority.

For further information visit www.statbank.dk/mpk39 and [mpk40](http://www.statbank.dk/mpk40)

Table 445

Bank credits to residents and residents' deposits with major banks 2005

	Deposits	Credits ¹
	DKK mio.	
Total	1 098 769	968 860
Commercial sector	687 968	723 613
Agriculture, fishing and quarrying	19 200	37 822
Agriculture, horticulture and forestry	17 645	35 467
Fishing	500	1 611
Mining and quarrying	1 055	744
Manufacturing	24 539	81 653
Mfr. of food, beverages and tobacco	3 452	29 097
Mfr. of textiles, wearing apparel, leather	722	2 088
Mfr. of wood products, printing and publishing	2 922	7 480
Mfr. of chemicals, plastic products	5 375	12 791
Mfr. of other non-metallic mineral products	580	4 311
Mfr. of basic metals and fabricated metal products	9 468	21 090
Mfr. of furniture; manufacturing n.e.s.	2 020	4 796
Energy and water supply	14 807	12 728
Construction	13 305	18 777
Wholesale, retail trade, hotels and restaurants, etc.	36 307	68 560
Sale and repair of motor vehicles, sale of fuel	3 505	10 393
Wholesale and commission trade, except motor vehicles	19 063	39 369
Retail trade and repair work, except of motor vehicles	10 656	12 715
Hotels and restaurants, etc.	3 083	6 083
Transport, post and telecommunications	22 621	27 062
Transport	17 334	25 086
Post and telecommunications	5 287	1 976
Financial intermediation, business activities	468 651	402 977
Financial intermediation and insurance	372 582	266 227
Letting and sale of real estate	30 858	68 386
Business activities, etc.	65 211	68 364
Public and personal services	69 512	56 158
Public administration	36 296	35 149
Education	4 847	1 386
Human health activities	11 715	6 733
Social institutions	1 734	684
Refuse collection, associations and recreation activities, etc.	14 920	12 206
Activity not stated	19 026	17 876
Employees, pensioners, etc.	410 801	245 247

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

¹ Outstanding amounts at end of year.

Source: Danmarks Nationalbank.

For further information visit www.statbank.dk/mpk6

Table 446

Long-term savings schemes with deposit accounts of Danish banks

Closing	2003	2004	Percentage change in relation to previous year
	DKK mio.		per cent
Specific deposit accounts, total	140 948	147 161	4.4
Index-linked pension savings	14 032	13 285	-5.3
Capital-pension accounts	74 019	74 877	1.2
Savings accounts for children	9 877	10 131	2.6
Private pension schemes	4 814	4 542	-5.7
Investment-fund accounts	66	29	-56.1
Business establishment savings	1 020	984	-3.5
Home-savings contracts	812	703	-13.4
Instalment-pension accounts	25 670	31 955	24.5
Savings accounts for education	668	562	-15.9
Premium lottery accounts	9 938	10 061	1.2
Market fluctuation adjustment accounts	32	32	0.0

Source: Danish Financial Supervisory Authority.

For further information visit www.statbank.dk/mpk43

Table 447

Danish electronic payment card system

	1990	1995	2000	2005
Electronic card system	thousands			
Number of cards	1 731	2 703	3 018	3 511
Transaction, total	65 783	218 119	390 851	580 283
Electronic	15 803	22 622	8 722	5 788
Slips	24 868	10 867	7 513	7 355
Turnover	DKK mio.			
Electronic	30 844	71 665	132 970	214 743
Slips	8 010	10 870	4 995	5 005

Note. Transactions using cash points are not included.

Source: Danish Payment Systems.

For further information visit www.statbank.dk/mpk41

Table 448

Mortgage banks

	2003	2004
Number of institutions	8	8
Profit and loss account	DKK mio.	
+ Interest income	86 199	80 719
– Interest xpenses	74 695	69 322
Net income from interest	11 504	11 397
+ Charges and commissions receivable	650	248
Net income from charges and commissions	12 154	11 645
– Expenditure of the personnel administration and other operating expenses	4 665	4 540
– Depreciation and provisions on loans	295	- 239
+ Adjustment of capital interest	1 982	1 778
+ Other ordinary receipts	93	97
Profit/loss on ordinary activities	9 269	9 219
+ Extraordinary receipts (net)	- 22	0
– Tax	2 204	2 185
Profit/loss for the year	7 043	7 034
Balance sheets		
Assets, total	1 902 861	2 120 944
Claims on credit institutions, etc.	121 528	117 832
Loans	1 431 580	1 520 811
Bonds and shares, etc.	326 565	453 151
Holdings in associated and affiliated enterprises	7 841	10 166
Intangible assets	1 925	2 470
Tangible assets	1 537	1 485
Other assets	11 885	15 029
Liabilities, total	1 902 861	2 120 944
Liabilities to credit institutions	30 237	23 545
Issued bonds, etc.	1 719 530	1 920 217
Other liabilities, accruals and deferred income	54 089	64 241
Provisions for liabilities and charges	1 114	1 101
Capital deposits	4 885	11 564
Equity capital	93 006	100 276

Source: Danish Financial Supervisory Authority.


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

Table 449

Lending activity of mortgage banks

	2003	2004	2005
	DKK mio.		
Loans incl. index-linked loans, total	99 072	90 430	173 530
Owner-occupied dwellings and holiday homes	62 910	53 587	116 607
Subsidized construction of residential buildings	980	1 468	- 354
Private rental housing	12 554	15 972	23 814
Agricultural properties, etc.	10 954	9 276	11 030
Industrial properties, etc.	4 350	513	198
Office and shop buildings	6 667	8 974	19 996
Properties for social, cultural and educational purposes	610	592	2 150
Undeveloped plots	47	48	93

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.

For further information visit www.statbank.dk/mpk25

Table 450

Major finance companies, factoring and other loans

	Total activities 2003 ¹	Total activities 2004	Status at end of year 2003 ¹	Status at end of year 2004
	DKK mio.			
Factoring	37 446	42 508	2 765	3 808
Other loans	6 711	10 274	27 378	27 739

¹ Revised figures.

Source: Individual finance company.

For further information visit www.statbank.dk/mpk32

Table 451

Major finance companies, leasing

	2003	2004
	DKK mio.	
Activities in the year		
Total	15 129	16 333
Industrial equipment	3 470	4 552
Edp and office equipment	2 723	3 096
Lorries and vans	4 289	4 120
Passengercars	3 014	3 269
Vessels, aircraft, railway material	167	37
Buildings	627	147
Other	840	1 113
Status at end of year	44 932	46 274

Source: Individual finance company.

For further information visit www.statbank.dk/mpk31

Table 452

Consumer credit

End of year	2003	2004	2005
	DKK mio.		
Total	14 045	15 100	16 515
Balance on credit and account cards	6 180	6 302	6 686
Of which, petrol companies	1 302	1 432	1 549
Blank credit	5 122	5 824	6 881
Secured credit	2 744	2 975	2 948

Source: Each individual financing company and credit card company.

For further information visit www.statbank.dk/mpk30

Table 453

Quoted bonds in circulation by holder sector 2005

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	592 281	2 246 244	156 861	2 995 386
Non-financial corporations	14 870	100 735	11 026	126 631
Financial corporations	107 617	1 250 563	64 838	1 423 017
Monetary financial institutions	56 132	1 028 113	26 509	1 110 753
Other financial institutions	51 485	222 449	38 329	312 263
Insurance and pension funds corporations	129 683	467 103	23 751	620 535
General government	131 578	44 639	2 243	178 459
Central government	126 863	18 055	898	145 817
Local government	4 714	26 584	1 343	32 642
Social security funds ³
Non-profit institutions serving households	2 906	20 804	1 106	24 815
Households	4 699	79 305	44 570	128 574
Sector unknown	7 561	28 812	3 733	40 106
Abroad	193 369	254 285	5 595	453 249

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. ³ Bond holdings in this sector have been transferred to Central Government sector.

Source: The Danish Securities Centre.

For further information visit www.statbank.dk/obl2

Table 454

Owners of quoted shares and unit trust certificates by holder sector 2005

Share prices, end of year	Issuing companies						Total
	Manufac- turing, etc. ¹	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 ²							
	DKK billion						
Total	255.4	27.3	412.7	547.8	3.5	40.0	1 286.7
Non-financial corporations	85.2	4.1	208.2	89.7	1.2	2.1	390.4
Financial corporations	24.7	6.2	21.5	104.7	0.7	12.3	170.0
Insurance and pension funds corporations	24.0	3.7	28.2	53.3	0.0	2.7	111.9
General government	2.6	0.4	7.5	3.1	0.0	2.3	15.9
Non-profit institutions serving households	33.5	7.4	43.7	168.3	1.1	9.9	263.9
Households	0.9	0.2	2.7	4.3	0.1	0.3	8.5
Abroad	82.5	4.9	97.9	115.6	0.1	9.6	310.6
Sector unknown	2.1	0.4	3.0	9.0	0.3	0.8	15.6

¹ Manufacturing, energy and water supply and construction. ² Owners are defined as account holders with the Danish Securities Centre.

Source: The Danish Securities Centre.

For further information visit www.statbank.dk/an1

Table 455

Share index

OMXC-index	2003	2004	2005
End of the year	end of 1995 =100		
Total	217	263	368
Energy	...	134	182
Materials	155	200	257
Manufacturing	243	280	415
Discretionary	90	136	258
Consumer goods	96	114	159
Health Care	308	398	477
Finance	272	348	482
ICT	173	230	343
Telecommunication	138	150	244
Utilities	913	935	948

Source: Copenhagen Stock Exchange.

For further information visit www.statbank.dk/mpk13

Table 456

Yield on bonds

		2003	2004	2005
		per cent p.a.		
Yield				
Government bonds:				
5 year:	End of year	3.65	3.31	3.05
	Annual average	3.56	3.40	2.90
10 year:	End of year	4.46	3.87	3.30
	Annual average	4.31	4.30	3.40
Mortgage credit bonds:				
20 year:	End of year	5.21	4.85	4.20
	Annual average	5.11	5.00	4.58
30 year:	End of year	5.45	5.07	4.39
	Annual average	5.45	5.30	4.35

Source: Danmarks Nationalbank.

 For further information visit www.statbank.dk/mpk42

Table 457

Pension funds

	Intersectoral pension funds			Corporate pension funds		
	2002	2003	2004	2002	2003	2004
Number of members	724 965	738 978	764 881	19 958	19 950	19 286
Working members	651 860	662 770	680 956	9 830	9 912	8 624
Retired members	53 920	57 071	63 988	6 950	6 965	7 543
Retired spouses	10 798	10 853	11 333	2 674	2 574	2 328
Children who receive children's pension	8 387	8 284	8 604	504	499	791
	DKK mio					
Current annual pension, total	4 711	5 047	5 934	1 643	1 680	1 544
Pension for members	3 798	4 102	4 859	1 141	1 162	1 263
Pension for spouses	732	765	883	303	319	268
Pension for children	181	180	192	199	199	13
Miscellaneous income						
Member contributions	12 036	13 153	14 336	555	620	824
Of which extraordinary contributions	0	0	0	105	107	572
Interest income and profits	9 379	9 621	9 710	1 628	1 606	1 712
Miscellaneous expenditure¹						
Pensions	6 267	6 599	7 334	1 423	1 437	- 1 549
Retirement allowances	498	499	571	81	116	- 58
Assets, total	277 018	301 892	339 245	37 077	38 191	39 185
Central government bonds ¹	32 235	29 692	27 043	5 519	6 999	6 750
Local government bond ¹	9 405	3 055	1 168	113	363	592
Mortgage credit bonds, etc. ¹	80 353	89 486	66 214	17 377	17 156	18 058
Cash at bank and in hand	3 861	2 896	1 129	215	239	133
Mortgage credits	429	326	248	20	11	0
Loans with other collateral	6 986	6 659	11 947	4	4	34
Other assets	143 749	169 778	231 496	13 829	13 419	13 618
Premium reserves	239 497	252 520	269 829	31 354	31 655	33 588

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 458

Discount rate of Danmarks Nationalbank

Discount rate		Discount rate		Discount rate	
		per cent			
1994		1998		2001	
6. January	6,00	6. May	4,00	14. May	4,50
19. January	5,75	29. May	3,75	31. August	4,25
18. February	5,50	21. September	4,25	18. September	3,75
15. April	5,25	5. November	4,00	9. November	3,25
13. May	5,00	4. December	3,50		
				2002	
1995		1999		6. December	2,75
8. March	6,00	4. February	3,25		
6. July	5,75	9. April	2,75	2003	
3. August	5,50	5. November	3,00	7. March	2,50
25. August	5,00			6. June	2,00
9. November	4,75	2000			
15. December	4,25	4. February	3,25	2005	
		17. March	3,50	2. December	2,25
1996		28. April	3,75		
25. January	4,00	9. June	4,25	2006	
7. March	3,75	1. September	4,50	3. March	2,50
19. April	3,25	6. October	4,75		
1997					
10. October	3,50				

Source: Danmarks Nationalbank.

For further information visit www.statbank.dk/disk

Table 459

Exchange rates - correction

		Currency	2003	2004	2005
			DKK		
Pound sterling	GBP		1 074.99	1 096.69	1 090.02
Bulgarian lev	BGN		381.26	380.88	381.02
Estonian kroon	EEK		47.49	47.55	47.63
EU common currency	EUR		743.07	743.98	745.19
Icelandic krona	ISK		8.58	8.54	9.55
Latvian lats	LVL		1 161.21	1 118.83	1 070.38
Lithuanian litas	LTL		215.21	215.47	215.82
Norwegian krone	NOK		93.03	88.90	93.11
Polish zloty	PLN		169.26	164.73	185.46
Romanian lei	ROL		0.02	0.02	0.00
Swiss franc	CHF		488.88	481.96	481.30
Slovak koruna	SKK		17.91	18.59	19.31
Slovenian tolar	SIT		3.18	3.11	3.11
Swedish krona	SEK		81.45	81.54	80.29
Czech koruna	CZK		23.34	23.33	25.03
Hungarian forint	HUF		2.93	2.96	3.00
Australian dollars	AUD		658.99	598.93	600.34
Canadian dollars	CAD		428.17	440.53	457.13
Hong Kong dollars	HKD		470.27	460.64	496.12
Japanese yen	JPY		84.62	76.89	77.20
Singapore dollars	SGD		5.68	5.54	5.45
US dollars	USD		378.02	354.21	360.41
Effective rate of DKK 1980 = 100			101.20	102.20	101.60

Note. The rate is the annual average.

Source: Danmarks Nationalbank.

For further information visit www.statbank.dk/mpk101

Table 460

Life assurance companies

	2003	2004
Number of companies	41	37
Profit and loss account	DKK mio.	
A: Insurance activities		
+Premiums net of reinsurance	58 197	60 845
+Allocated investment return transferred from the technical account	36 286	59 112
Receipts from insurance activities	94 483	119 957
–Claims incurred, net of reinsurance	36 018	38 433
–Change in life assurance provisions	38 864	63 682
–Administrative expenses	4 327	3 949
–Change in bonus equalization provisions	11 298	9 141
+Result from sickness and accident insurance	169	- 175
Result from insurance activities	4 145	4 577
B: Investment activities		
+Result from investment activities	44 131	71 590
–Real interest tax	4 999	8 884
–Allocated investment return transferred to the technical account	36 799	59 922
–Yield on investments carried forward to sickness and accident insurance	0	0
Result from investment activities	2 333	2 784
C: Total activities		
+Result from primary operation	6 478	7 361
+Other ordinary receipts, net	39	65
+Extraordinary receipts, net	35	8
–Taxes	1 109	1 023
Net result for the year	5 443	6 411
D: Increase in equity capital		
+Net result of the year	5 443	6 411
+Balancing items	- 9	623
+Capital injection	3 755	- 460
–Dividends, etc.	462	53
Increase in equity capital, total	8 727	6 521
Of which allocated to contingency reserve	0	22
Balance sheets		
Assets total	731 698	809 915
A: Investment assets		
Land and buildings	10 712	10 017
Bonds	501 212	527 341
Shares and other capital holdings	124 127	146 310
Loans	6 025	14 577
Other	18 211	17 912
B: Other assets	71 411	93 758
Liabilities, total	731 698	809 915
Equity capital	47 564	50 472
Provisions	645 345	716 873
Other liabilities	38 789	42 570

Source: Danish Financial Supervisory Authority.


 For further information visit www.statbank.dk/mpk50 and [mpk51](http://www.statbank.dk/mpk51)

Table 461

Accounts of non-life insurance companies

	2003	2004
Number of companies	126	127
Profit and loss account	DKK mio.	
A: Insurance activities		
+Gross premiums written, net of reinsure	35 694	38 333
+Technical interest	991	885
Receipts from insurance activities	36 685	39 218
–Claims incurred, net of reinsurance	26 377	27 438
–Administrative expenses	8 270	8 473
–Other insurance technical items	909	642
Result from insurance activities	1 129	2 665
B: Investment activities		
+Result from investment activities	6 310	6 285
C: Total activities		
Result from primary operation	7 439	8 950
+Other ordinary receipts, net	- 140	- 140
+Extraordinary receipts, net	- 1	- 56
–Taxes	1 286	1 632
Net result for the year	6 012	7 122
D: Increase in equity capital		
Net result for the year	6 012	7 249
+Balancing items	- 11	0
+Capital injection	4 225	27
Increase, total	10 226	7 276
–Dividends, etc.	2 299	6 499
Increase in equity capital, total	7 927	777
Of which allocation to contingency reserve	34	656
Balance sheets		
Assets, total	120 680	126 679
A: Investment assets		
Land and buildings	2 298	2 141
Bonds	54 393	64 747
Shares and other capital holdings	40 735	37 756
Loans	1 935	1 686
Other	2 667	2 553
B: Other assets	18 652	17 796
Liabilities, total	120 680	126 679
Equity, total	50 124	49 970
Provisions	69 403	75 713
Other liabilities	1 153	996

Source: Danish Financial Supervisory Authority.


 For further information visit www.statbank.dk/mpk52 and [mpk53](http://www.statbank.dk/mpk53)


Table 462

Non-life insurance by type 2004

	Premiums	Compensation
	DKK mio.	
Total	43 708	30 027
Total commercial insurance	14 379	9 966
Workmen's compensation	3 532	3 864
Buildings	3 736	2 036
Contents (other than stock and machinery)	3 014	1 841
Professional liability	1 337	1 028
Marine and transport	933	802
Aviation	1 159	43
Other commercial insurance	668	352
Total private insurance	7 965	5 184
Householder's comprehensive	3 104	1 895
Homeowner's comprehensive	3 422	2 413
Weekend cottages	458	205
Change of ownership insurance	289	301
Other private insurance	692	370
Total personal accident insurance	6 750	5 381
Health insurance	654	167
Single accident and sickness	5 967	5 023
Professional disability	129	191
Total motor vehicle insurance	11 619	8 035
Third-party liability	4 873	4 567
Vehicle (own damage)	6 746	3 468
Credit and suretyship	432	41
Touristassistance and Legal aid insurance	50	20
Total direct business	41 195	28 626
Total indirect business	2 513	1 400

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