

The money and capital markets

1. Capital intermediation

Capital transfers from lenders to borrowers

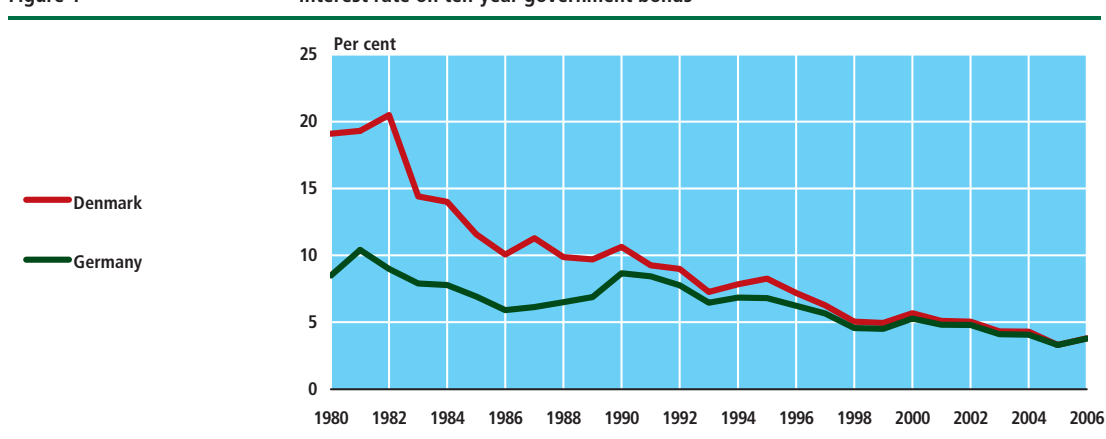
A capital market is a market where financial products are traded, such as loans, shares, bonds and credit. The market makes it possible to transfer capital from persons with a savings surplus to persons with a savings shortage. This allows the individual to time his investments and consumption in relation 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 2006 it was down to 0.

Figure 1

Interest rate on ten-year government bonds



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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.

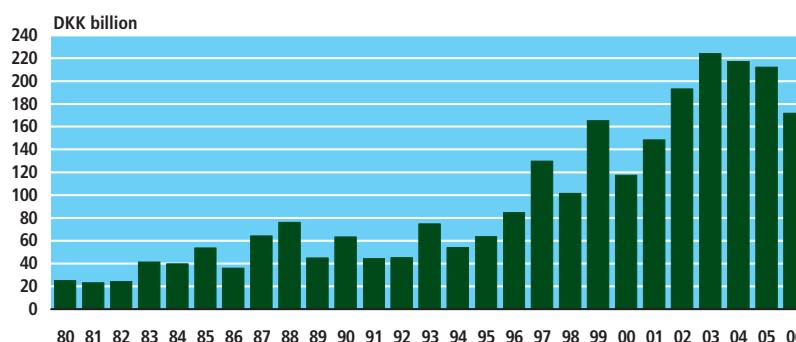
Government purchased foreign currency to keep the krone rate down

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.

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Figure 2 Foreign exchange reserve



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, 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.

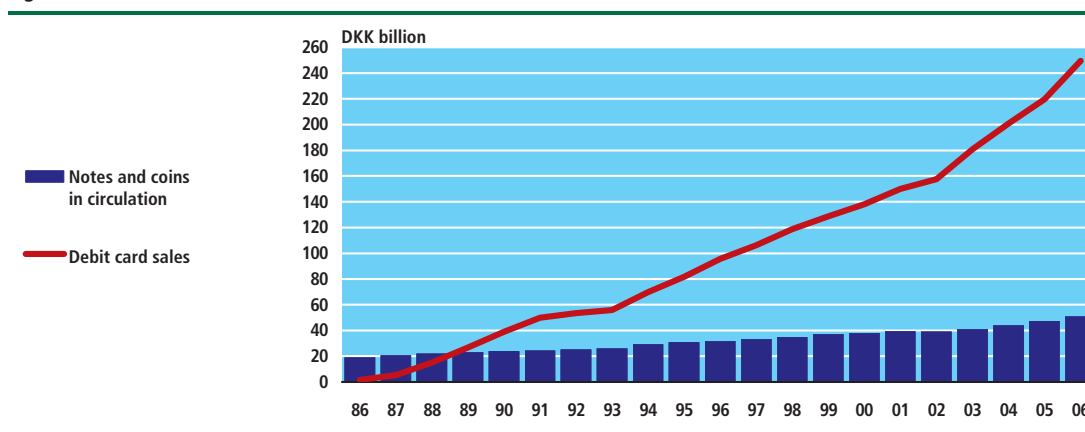
2. Financial claims

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.

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



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.

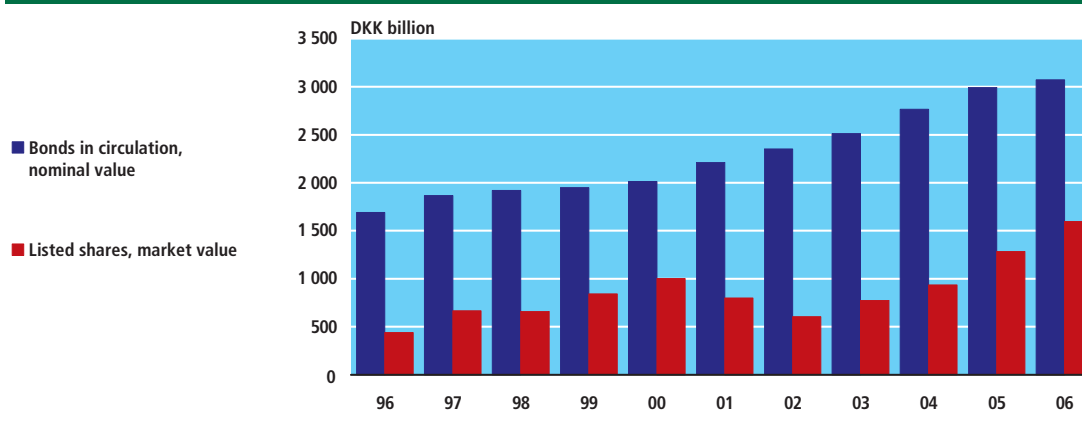
At the end of 2006, about 15 per cent of the total bond volume was owned by foreign investors. In recent years, foreign investors have shown an increasing interest in mortgage bonds. Thus, 12 per cent of mortgage bonds were held by foreigners at the end of 2006 compared to about 5 per cent in 1996.

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.

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Figure 4

Shares and bonds traded on the Copenhagen Stock Exchange



Shares are risky investments

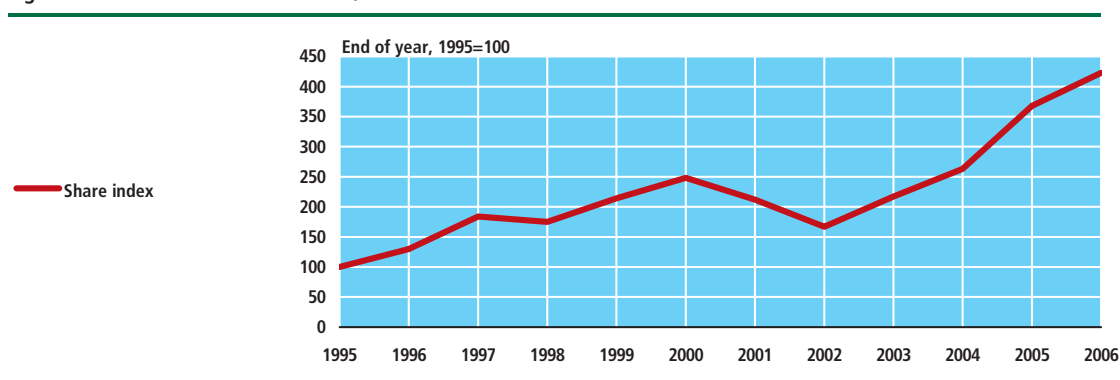
A share is a certificate of ownership of a company. The value of the share depends above all on the future earnings of the company. Since future earnings are connected with great uncertainty, investing in shares may lead to both large losses and large gains. In addition to specific expectations of the 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 2006, 176 companies were listed on the Stock Exchange, of which the 20 largest accounted for 61 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 have been 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.

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Figure 5 OMXC, index of all shares at market value



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.

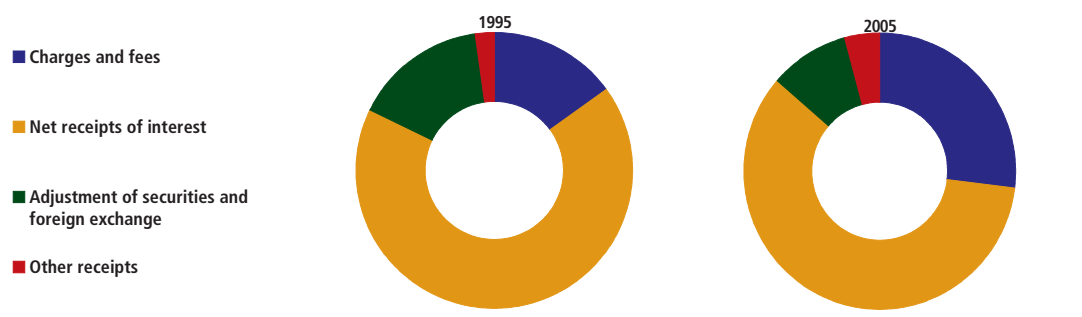
Few large and many small banks

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 2005, 161 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 in for example 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.

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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. The balance sheet total has increased from DKK 290 billion at the end of 2002 to DKK 782 billion at the end of 2005. In 2005, there were 116 investment associations issuing investment fund shares.

Table 435

Financial sector, main figures

	2004			2005		
	Balance	Companies	Employees	Balance	Companies	Employees
	DKK bn.	number		DKK bn.	number	
Total	7 015	558	57 591	7 944	554	59 075
Banks	2 532	172	38 685	3 011	161	39 714
Mortgage banks	2 121	8	4 048	2 088	8	4 111
The ship Credit fund of Denmark	60	1	55	63	1	54
Securities and broking companies	1	32	320	2	31	353
Investment funds	573	105	0	782	116	0
Non-life insurance companies	125	125	11 300	139	124	10 305
Life insurance companies	810	37	2 365	953	36	3 248
Non-occupational pension funds	339	30	516	381	29	493
Company pension funds	39	44	38	43	44	36
Labour Market Supplementary Pension	307	1	170	365	1	733
Employees Capital Pension Fund (LD)	58	1	46	64	1	28
Labour market occupational health insurance	3	1	48	4	1	0
Special pension scheme savings	47	1	0	51	1	0

Source: Danish Financial Supervisory Authority.

For further information visit www.statbank.dk/mpk55

Table 436

Denmark's gold and foreign exchange reserve

End of year	2004	2005	2006
	DKK billion		
Danmarks Nationalbanks gold stock	5.1	6.9	7.7
Danmarks Nationalbanks foreign assets	208.5	204.2	164.6
Claims on the International Valuta Fund	5.7	3.6	3.2
The foreign exchange reserve (gross)	219.3	214.7	175.4
- Danmarks Nationalbanks foreign liability	1.6	2.4	3.7
The foreign exchange reserve (net)	217.6	212.3	171.7

Source: Danmarks Nationalbank.

For further information visit www.statbank.dk/mpk15

Table 437

Money stock

	2004	2005	2006
	DKK billion		
Money stock	699.1	798.5	889.6
Notes and coins outside the banking sector	43.7	47.3	50.7
Deposit in banks and savings banks	655.3	751.2	838.8
- Demand deposits	492.8	596.3	648.6
- Agreement deposits ¹	162.5	154.9	190.2

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

Source: Danmarks Nationalbank.

For further information visit www.statbank.dk/mpk12

Table 438

Profit and loss account and balance sheet of Danmarks Nationalbank

	2005	2006
	DKK mio.	
Profit and loss account		
Interest receivable, etc. total	9 349	10 469
Interest on foreign assets	5 420	5 320
Interest and commission on loans, etc.	2 162	3 692
Interest and dividends on securities	1 767	1 457
Interest payable, etc. total	5 665	6 986
Interest on foreign liabilities	44	60
Interest on deposits, etc.	5 621	6 926
Expenses, total	804	569
Administrative expenses	326	309
Other expenses	478	260
Exchange-rate and value adjustment, total	1 210	-690
Revaluation of gold stock	1 818	759
Revaluation of foreign-exchange accounts	-97	-780
Revaluation of securities	-511	-669
Other ordinary receipts	848	48
Allocation to reserves, etc.	1 984	-68
Net profit of the year	2 954	2 340
Balance sheet		
Assets, total	391 996	364 872
Stock of gold	6 941	7 700
Special drawing rights in the IMF	3 557	3 189
Foreign assets	204 204	164 556
Lending	139 619	157 207
Securities	35 077	29 396
Other assets	2 598	2 824
Liabilities, total	391 996	364 872
Notes in circulation	50 953	54 249
Coin in circulation	5 264	5 518
Allocations of Special Drawing Rights	1 614	1 522
Foreign liabilities	2 391	3 729
Deposits	15 028	10 277
Deposit certificates	207 582	163 160
The Central Government's current account	56 428	73 789
Other liabilities	52 736	52 628

Source: Danmarks Nationalbank.

For further information visit www.statbank.dk/mpk37 and mpk38

Table 439

Profit and loss account and balance sheet of Danish banks

End of year	2004	2005
Number of banks	172	161
Antal ansatte, ultimo året	38 685	39 714
	DKK mio.	
Profit and loss account		
+Interest income	77 442	96 498
–Interest expenses	42 315	59 263
Net income from interest, net	35 127	37 235
+Share dividends	1 073	766
+Charges and commissions income	17 654	20 908
–Charges and commissions expenses	2 940	3 897
Net income from charges and commissions	50 914	55 012
+Revaluation of securities and foreign exchange	3 685	5 202
+Other ordinary income	3 248	2 598
Profit/loss on financial items	57 847	62 812
–Staff and administrative expenses	33 017	33 802
–Depreciation of tangible and intangible assets	1 312	2 291
–Other operating expenses	59	78
–Depreciations and provisions, net	1 639	- 942
+Adjustments of shares	8 973	7 647
Profit/loss on ordinary activities	30 793	35 230
+Extraordinary receipts, net	0	1
Profit/loss before tax	30 793	35 231
–Tax	7 943	8 220
Profit/loss for the year	22 850	27 011
Balance sheets		
Assets, total	2 521 127	2 994 323
Claims on credit institutions, etc.	511 275	656 865
Loans	1 065 196	1 336 065
Bonds, etc.	597 277	584 310
Shares, etc.	43 167	25 299
Holdings in associated and affiliated enterprises	72 230	83 316
Intangible assets	453	6 717
Tangible assets	10 799	15 281
Other assets	220 730	286 470
Liabilities, total	2 521 127	2 994 323
Liabilities to credit institutions, etc.	704 447	803 352
Deposits	1 031 765	1 175 682
Issued bonds, etc.	236 246	318 542
Other liabilities, accruals and deferred income	345 153	449 102
Provisions for liabilities and charges	2 815	4 327
Capital deposits	56 544	72 305
Equity capital	144 156	171 013

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 440

Bank credits to residents and residents' deposits with major banks. 2006

	Deposits	Credits ¹
	DKK mio.	
Total	1 187 822	1 129 352
Commercial sector	749 654	835 852
Agriculture, fishing and quarrying	23 034	43 930
Agriculture, horticulture and forestry	20 316	41 552
Fishing	731	1 788
Mining and quarrying	1 987	590
Manufacturing	24 352	84 162
Mfr. of food, beverages and tobacco	3 667	25 591
Mfr. of textiles, wearing apparel, leather	637	2 308
Mfr. of wood products, printing and publishing	2 488	7 192
Mfr. of chemicals, plastic products	5 757	13 597
Mfr. of other non-metallic mineral products	634	4 241
Mfr. of basic metals and fabricated metal products	9 560	26 426
Mfr. of furniture; manufacturing n.e.s.	1 609	4 807
Energy and water supply	14 703	14 544
Construction	15 878	27 748
Wholesale, retail trade, hotels and restaurants, etc.	39 917	79 470
Sale and repair of motor vehicles, sale of fuel	4 163	12 086
Wholesale and commission trade, except motor vehicles	20 916	45 727
Retail trade and repair work, except of motor vehicles	11 519	14 937
Hotels and restaurants, etc.	3 319	6 720
Transport, post and telecommunications	24 193	37 632
Transport	20 853	31 894
Post and telecommunications	3 340	5 738
Financial intermediation, business activities	507 755	456 951
Financial intermediation and insurance	396 840	287 551
Letting and sale of real estate	34 544	90 867
Business activities, etc.	76 371	78 533
Public and personal services	73 552	59 416
Public administration	40 407	40 889
Education	3 393	1 554
Human health activities	13 639	7 994
Social institutions	1 747	559
Refuse collection, associations and recreation activities, etc.	14 366	8 420
Activity not stated	26 270	31 999
Employees, pensioners, etc.	438 168	293 500

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 441

Long-term savings schemes with deposit accounts of Danish banks

	2004	2005	Percentage change in relation to previous year
End of year			
	DKK mio.		per cent
Specific deposit accounts, total	147 161	159 817	8.6
Index-linked pension savings	13 285	12 587	-5.3
Capital-pension accounts	74 877	78 217	4.5
Savings accounts for children	10 131	10 578	4.4
Private pension schemes	4 542	4 397	-3.2
Investment-fund accounts	29	22	-24.1
Business establishment savings	984	942	-4.3
Home-savings contracts	703	631	-10.2
Instalment-pension accounts	31 955	41 933	31.2
Savings accounts for education	562	466	-17.1
Premium lottery accounts	10 061	10 008	-0.5
Market fluctuation adjustment accounts	32	36	12.5

Source: Danish Financial Supervisory Authority.

For further information visit www.statbank.dk/mpk43

Table 442

Danish electronic payment card system

	1990	1995	2000	2006
Electronic card system	thousands			
Number of cards	1 731	2 703	3 018	3 511
Transaction				
Electronic	65 783	218 119	390 851	670 897
Slips	15 803	22 622	8 722	5 415
Turnover	DKK mio.			
Electronic	30 844	71 665	132 970	244 527
Slips	8 010	10 870	4 995	4 918

Note: Transactions using cash points are not included.

Source: Danish Payment Systems.

For further information visit www.statbank.dk/mpk41

Table 443

Mortgage banks

	2004	2005
Number of institutions	8	8
	DKK mio.	
Profit and loss account		
+Interest income	80 719	82 438
– Interest expenses	69 322	69 901
Net income from interest	11 397	12 537
+Charges and commissions receivable	248	666
Net income from charges and commissions	11 645	13 203
– Expenditure of the personnel administration and other operating expenses	4 540	4 643
– Depreciation and provisions on loans	- 239	- 60
+Adjustment of capital interest	1 778	3 010
+Other ordinary receipts	97	58
Profit/loss on ordinary activities	9 219	11 688
+Extraordinary receipts (net)	0	0
– Tax	2 185	2 660
Profit/loss for the year	7 034	9 028
Balance sheets		
Assets, total	2 120 944	2 087 777
Claims on credit institutions, etc.	117 832	188 074
Loans	1 520 811	1 711 815
Bonds and shares, etc.	453 151	162 201
Holdings in associated and affiliated enterprises	10 166	10 702
Intangible assets	2 470	3 195
Tangible assets	1 485	913
Other assets	15 029	10 877
Liabilities, total	2 120 944	2 087 777
Liabilities to credit institutions	23 545	151 553
Issued bonds, etc.	1 920 217	1 754 273
Other liabilities, accruals and deferred income	64 241	50 546
Provisions for liabilities and charges	1 101	2 295
Capital deposits	11 564	18 096
Equity capital	100 276	111 014

Source: Danish Financial Supervisory Authority.

For further information visit www.statbank.dk/mpk47 and mpk48

Table 444

Lending activity of mortgage banks

	2004	2005	2006
	DKK mio.		
Loans incl. index-linked loans, total	90 430	165 509	158 050
Owner-occupied dwellings and holiday homes	53 587	115 088	105 736
Subsidized construction of residential buildings	1 468	-953	-1 368
Private rental housing	15 972	22 949	25 490
Agricultural properties, etc.	9 276	8 063	12 686
Industrial properties, etc.	513	-705	2 086
Office and shop buildings	8 974	19 445	12 349
Properties for social, cultural and educational purposes	592	1 546	930
Undeveloped plots	48	80	137

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 445

Major finance companies, factoring and other loans

	Total activities 2004	Total activities 2005	Status at end of year 2004	Status at end of year 2005
	DKK mio.			
Factoring	42 508	28 389	3 808	3 848
Other loans	10 274	11 784	26 926 ¹	32 296

¹ Revised figures.

Source: Individual finance company.

For further information visit www.statbank.dk/mpk57

Table 446

Major finance companies, leasing

	2004	2005
	DKK mio.	
Activities in the year		
Total	16 333	20 016
Industrial equipment	4 552	2 765
Edp and office equipment	3 096	3 321
Lorries and vans	4 120	7 814
Passengercars	3 269	3 406
Vessels, aircraft, railway material	37	118
Buildings	147	380
Other	1 113	2 212
Status at end of year	46 274	48 371

Source: Individual finance company.

For further information visit www.statbank.dk/mpk31

Table 447

Consumer credit

End of year	2004	2005	2006
	DKK mio.		
Total	15 100	16 515	18 194
Balance on credit and account cards	6 302	6 686	6 882
Of which, petrol companies	1 432	1 549	1 563
Blank credit	5 824	6 881	8 279
Secured credit	2 975	2 948	3 033

Source: Each individual financing company and credit card company.

For further information visit www.statbank.dk/mpk30

Table 448

Quoted bonds in circulation by holder sector. 2006

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	535 600	2 346 243	188 951	3 070 795
Non-financial corporations	8 112	102 505	14 514	125 131
Financial corporations	76 378	1 253 675	79 849	1 409 900
Monetary financial institutions	36 893	999 319	34 663	1 070 876
Other financial institutions	39 485	254 355	45 183	339 025
Insurance and pension funds corporations	134 610	532 365	26 218	693 193
General government	136 089	39 547	1 829	177 464
Central government	133 264	14 904	721	148 889
Local government	2 825	24 643	1 108	28 575
Social security funds ³
Non-profit institutions serving households	1 670	24 997	1 176	27 843
Households	3 467	76 601	53 145	133 214
Sector unknown	6 895	29 776	4 658	41 327
Abroad	168 381	286 779	7 562	462 722

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 449

Owners of quoted shares and unit trust certificates by holder sector. 2006

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	315.7	20.4	336.3	868.6	6.4	50.7	1 598.0
Non-financial corporations	91.9	2.8	207.4	132.3	1.9	2.5	438.8
Financial corporations	26.9	5.3	15.2	144.0	1.3	16.1	208.7
Insurance and pension funds corporations	28.8	2.5	21.0	83.1	0.0	3.3	138.6
General government	3.3	0.4	7.0	4.6	0.0	2.7	18.0
Non-profit institutions serving households	42.0	5.0	35.4	284.2	1.6	12.3	380.4
Households	1.2	0.1	2.4	7.8	0.0	0.3	11.8
Abroad	118.8	3.9	45.5	193.0	0.2	12.9	374.3
Sector unknown	2.9	0.3	2.3	19.9	1.3	0.7	27.4

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 450

Share index

OMXC-index	2004	2005	2007
End of the year	end of 1995 = 100		
Total	263	368	423
Energy	134	182	218
Materials	200	257	339
Manufacturing	280	415	431
Discretionary	136	258	316
Consumer goods	114	159	192
Health Care	398	477	641
Finance	348	482	607
ICT	230	343	515
Telecommunication	150	244	138
Utilities	935	948	1 363

Source: Copenhagen Stock Exchange.

For further information visit www.statbank.dk/mpk13

Table 451

Yield on bonds

		2004	2005	2006
		per cent p.a.		
Yield				
Government bonds:				
5 year:	End of year	3.31	3.05	3.92
	Annual average	3.40	2.90	3.59
10 year:	End of year	3.87	3.30	3.95
	Annual average	4.30	3.40	3.81
Mortgage credit bonds:				
20 year:	End of year	4.85	4.20	4.67
	Annual average	5.00	4.58	4.62
30 year:	End of year	5.07	4.39	5.24
	Annual average	5.30	4.35	5.09

Source: Danmarks Nationalbank.


 For further information visit www.statbank.dk/mpk42

Table 452

Pension funds

	Intersectoral pension funds			Corporate pension funds		
	2003	2004	2005	2003	2004	2005
Number of members	738 978	764 881	640 747	19 950	19 286	19 066
Working members	662 770	680 956	554 752	9 912	8 624	8 172
Retired members	57 071	63 988	66 338	6 965	7 543	7 785
Retired spouses	10 853	11 333	11 552	2 574	2 328	2 290
Children who receive children's pension	8 284	8 604	8 105	499	791	819
	DKK mio					
Current annual pension, total	5 047	5 934	6 376	1 680	1 544	1 588
Pension for members	4 102	4 859	5 268	1 162	1 263	1 319
Pension for spouses	765	883	913	319	268	255
Pension for children	180	192	195	199	13	14
Miscellaneous income						
Member contributions	13 153	14 336	13 161	620	824	730
Of which extraordinary contributions	0	0	0	107	572	405
Interest income and profits	9 621	9 710	10 290	1 606	1 712	1 496
Miscellaneous expenditure¹						
Pensions	6 599	7 334	7 716	1 437	1 549	1 607
Retirement allowances	499	571	433	116	58	94
Assets, total	301 892	339 245	381 048	38 191	39 185	42 474
Central government bonds ¹	29 692	27 043	25 638	6 999	6 750	7 549
Local government bond ¹	3 055	1 168	1 582	363	592	318
Mortgage credit bonds, etc. ¹	89 486	66 214	59 457	17 156	18 058	16 000
Cash at bank and in hand	2 896	1 129	580	239	133	241
Mortgage credits	326	248	177	11	0	2
Loans with other collateral	6 659	11 947	21 665	4	34	61
Other assets	169 778	231 496	271 949	13 419	13 618	18 303
Premium reserves	252 520	269 829	299 834	31 655	33 588	36 268

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 453

Discount rate of Danmarks Nationalbank

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

Source: Danmarks Nationalbank.


 For further information visit www.statbank.dk/disk

Table 454

Exchange rates

		Currency	2004	2005	2006
			DKK		
Pound sterling	GBP		1 096.69	1 090.02	1 094.32
Bulgarian lev	BGN		380.88	381.02	381.38
Estonian kroon	EEK		47.55	47.63	47.67
EU common currency	EUR		743.98	745.19	745.91
Icelandic krona	ISK		8.54	9.55	8.55
Latvian lats	LVL		1 118.83	1 070.38	1 071.34
Lituanian litas	LTL		215.47	215.82	216.03
Norwegian krone	NOK		88.90	93.11	92.71
Polish zloty	PLN		164.73	185.46	191.58
Romanian lei	ROL		0.02
Swiss franc	CHF		481.96	481.30	474.22
Slovak koruna	SKK		18.59	19.31	20.05
Slovenian tolar	SIT		3.11	3.11	3.11
Swedish krona	SEK		81.54	80.29	80.62
Czech koruna	CZK		23.33	25.03	26.32
Hungarian forint	HUF		2.96	3.00	2.83
Australian dollars	AUD		598.93	600.34	594.70
Canadian dollars	CAD		440.53	457.13	447.76
Hong Kong dollars	HKD		460.64	496.12	524.24
Japanese yen	JPY		76.89	77.20	76.55
Singapore dollars	SGD		5.54	5.45	5.11
US dollars	USD		354.21	360.41	374.17
Effective rate of DKK 1980 = 100			102.20	101.60	101.60

Note: The rate is the annual average.

Source: Danmarks Nationalbank.


 For further information visit www.statbank.dk/mpk101

Table 455

Life assurance companies

	2004	2005
Number of companies	37	36
Profit and loss account	DKK mio.	
A: Insurance activities		
+Premiums net of reinsurance	60 845	67 371
+Allocated investment return transferred from the technical account		
Receipts from insurance activities	59 112	94 576
–Claims incurred, net of reinsurance	119 957	161 947
–Change in life assurance provisions	38 433	42 867
–Administrative expenses	63 682	84 620
–Change in bonus equalization provisions	3 949	4 095
+Result from sickness and accident insurance	9 141	28 041
Result from insurance activities	- 175	- 371
	4 577	1 953
B: Investment activities		
+Result from investment activities	71 590	108 702
–Real interest tax	8 884	14 126
–Allocated investment return transferred to the technical account	59 922	90 435
–Yield on investments carried forward to sickness and accident insurance		
Result from investment activities	0	0
	2 784	4 141
C: Total activities		
+Result from primary operation	7 361	6 094
+Other ordinary receipts, net	65	22
+Extraordinary receipts, net	8	49
–Taxes	1 023	1 423
Net result for the year	6 411	4 742
D: Increase in equity capital		
+Net result of the year	6 411	4 742
+Balancing items	623	0
+Capital injection	- 460	0
–Dividends, etc.	53	56
Increase in equity capital, total	6 521	4 686
Of which allocated to contingency reserve	22	0
Balance sheets		
Assets total	809 915	953 151
A: Investment assets		
Land and buildings	10 017	9 862
Bonds	527 341	556 842
Shares and other capital holdings	146 310	223 307
Loans	14 577	34 428
Other	17 912	18 548
B: Other assets	93 758	110 164
Liabilities, total	809 915	953 151
Equity capital	50 472	55 809
Provisions	716 873	869 411
Other liabilities	42 570	27 931

Source: Danish Financial Supervisory Authority.

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

Table 456

Accounts of non-life insurance companies

	2004	2005
Number of companies	127	126
Profit and loss account	DKK mio.	
A: Insurance activities		
+Gross premiums written, net of reinsure	38 333	39 568
+Technical interest	885	650
Receipts from insurance activities	39 218	40 218
–Claims incurred, net of reinsurance	27 438	29 283
–Administrative expenses	8 473	7 013
–Other insurance technical items	642	703
Result from insurance activities	2 665	3 219
B: Investment activities		
+Result from investment activities	6 285	8 717
C: Total activities		
Result from primary operation	8 950	11 936
+Other ordinary receipts, net	- 140	-1 698
+Extraordinary receipts, net	- 56	0
–Taxes	1 632	1 981
Net result for the year	7 122	8 258
D: Increase in equity capital		
Net result for the year	7 249	8 189
+Balancing items	0	0
+Capital injection	27	0
Increase, total	7 276	8 189
–Dividends, etc.	6 499	5 735
Increase in equity capital, total	777	2 454
Of which allocation to contingency reserve	656	0
Balance sheets		
Assets, total	126 679	143 348
A: Investment assets		
Land and buildings	2 141	3 390
Bonds	64 747	68 022
Shares and other capital holdings	37 756	45 998
Loans	1 686	803
Other	2 553	5 729
B: Other assets	17 796	19 406
Liabilities, total	126 679	143 348
Equity, total	49 970	61 198
Provisions	75 713	70 107
Other liabilities	996	12 043

Source: Danish Financial Supervisory Authority.

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

Table 457

Non-life insurance by type. 2005

	Premiums	Compensation
	DKK mio.	
Total	44 543	35 222
Total commercial insurance	14 687	12 924
Workmen's compensation	3 716	3 711
Buildings	3 816	4 739
Contents (other than stock and machinery)	3 007	1 959
Professional liability	1 408	933
Marine and transport	1 037	673
Aviation	990	443
Other commercial insurance	714	467
Total private insurance	8 341	6 764
Householder's comprehensive	3 239	1 953
Homeowner's comprehensive	3 578	3 552
Weekend cottages	472	332
Change of ownership insurance	316	448
Other private insurance	735	479
Total personal accident insurance	7 195	6 196
Health insurance	369	253
Single accident and sickness	6 888	5 752
Professional disability	- 62	191
Total motor vehicle insurance	12 038	7 973
Third-party liability	4 978	4 443
Vehicle (own damage)	7 060	3 529
Credit and suretyship	400	- 22
Touristassistance and Legal aid insurance	63	27
Total direct business	42 724	33 862
Total indirect business	1 819	1 360

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