

The money and capital markets

1. Capital intermediation

Capital transfers from lenders to borrowers

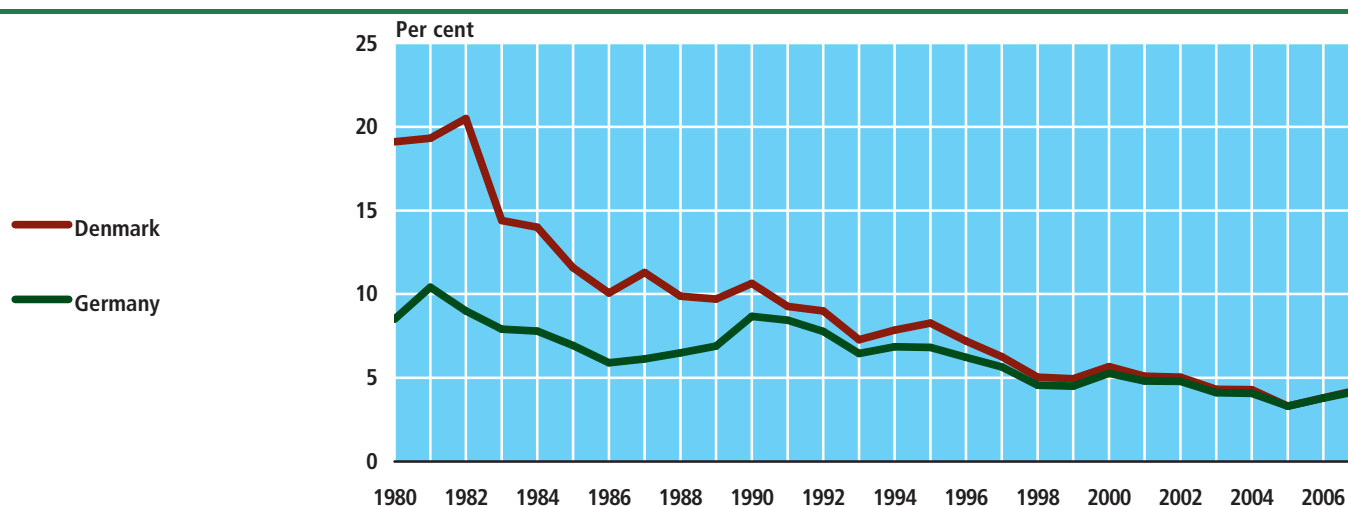
A capital market is a market where financial products are traded, such as loans, shares, bonds and credit. The market makes it possible to transfer capital from persons with a savings surplus to persons with a savings shortage. This allows the individual to time his investments and consumption in relation to his earnings. The purpose of the money market is to ensure a smooth payment mechanism so that transactions can be completed against payment without any major costs or difficulty. Thus, the money market concerns the liquidity applied for transfer of payments in connection with financial transactions. There is no clear dividing line between the money market and the capital market.

Increased internationalization

Since the early 1980s, the Danish financial markets have seen a distinct development towards deregulation, internationalization and increasing competition. Danish citizens can make foreign investments or raise loans abroad without major difficulty or costs. The free movement of capital has together with a credible exchange rate policy led to equalization of the prices (interest rates) of the financial products between the countries. In 1980, the difference between the Danish and German long-term bond interest rate was 10.6 percentage points; in 2007 it was down to 0.

Figure 1

Interest rate on ten-year government bonds



See table 445.

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

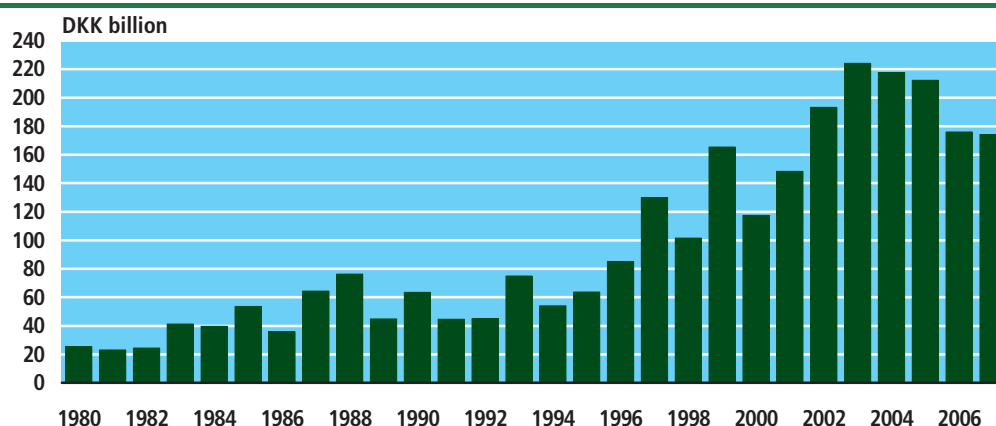
The rate of the Danish krone depends on the supply and demand for foreign currencies. The demand for foreign currency increases at import payments and capital exports (e.g. when Danes purchase foreign securities or make investments abroad). Conversely, export payments and capital imports will increase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



See table 430.

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

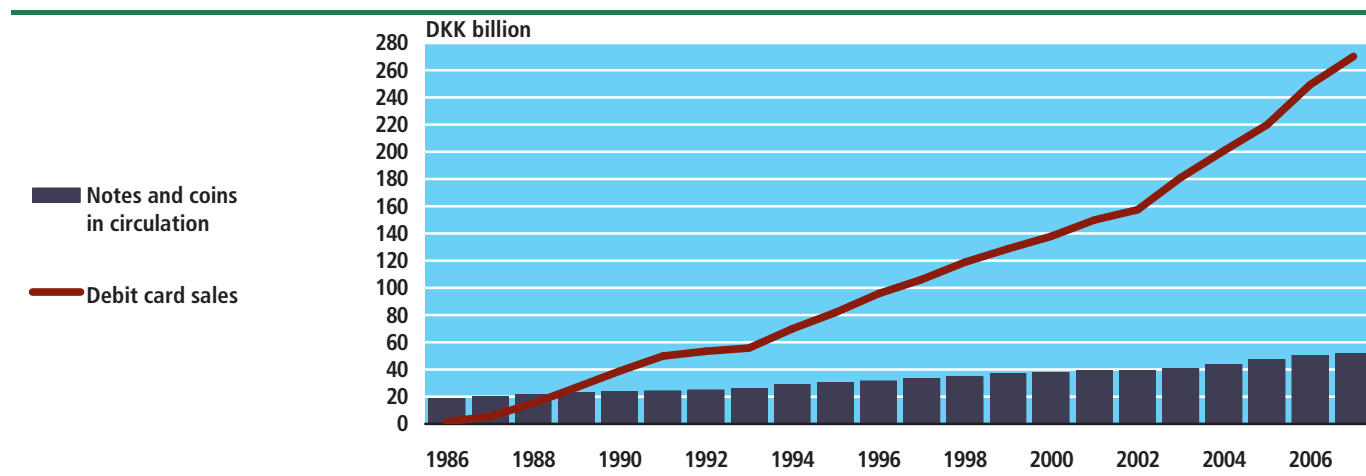
Money as a means of payment

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



See table 431 and 436.

Difficult to estimate the money stock

It is increasingly difficult to estimate the amount of liquidity available in the Danish society. Because of the use of Dankort (debit card), various types of accounts related to the Dankort have become just as liquid as notes and coins. At the same time, certain credit facilities may be connected to the Dankort, just as foreign banks may provide credit facilities to Danish citizens. Because of Denmark's position as a small, open economy with free capital movements, the role of the money stock as a monetary policy target figure is no longer as important as before.

Danish mortgage bonds are internationally unique

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

Mortgage bonds are secured by real property and have long maturity (up to 30 years). The Danish mortgage bonds are unique to the Danish market in terms of their role in relation to home financing. In addition to the security in real property, the relatively high degree of security relates to the terms and conditions associated with the loan assessment by the mortgage credit institutes concerning lending limits, maturity and accumulation of reserve funds.

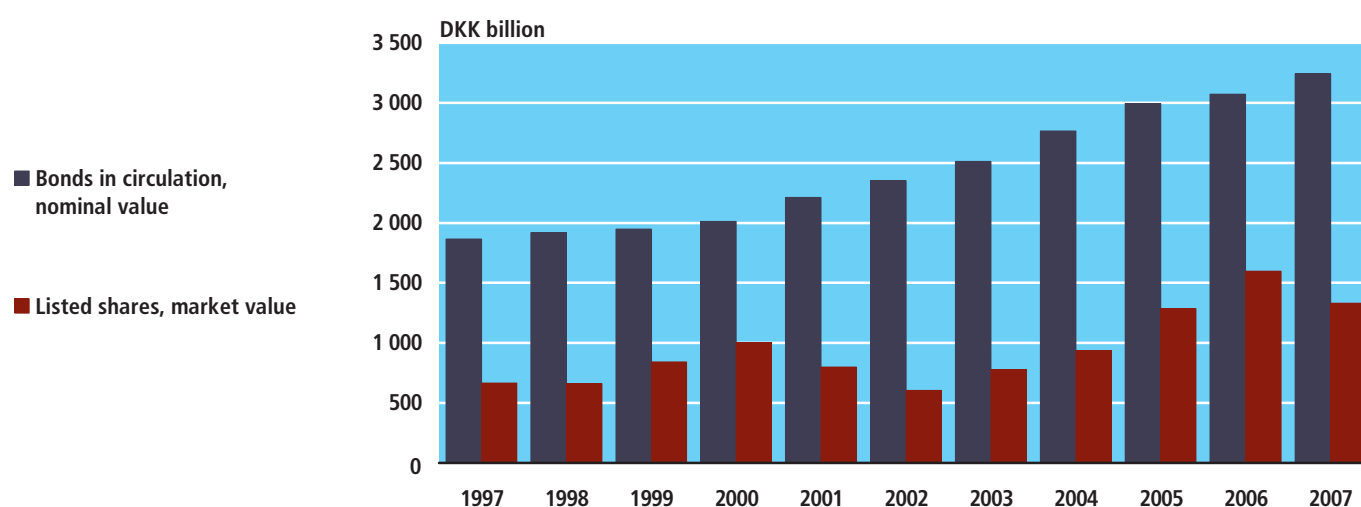
At the end of 2007, about 15 per cent of the total bond volume was owned by foreign investors. In recent years, foreign investors have shown an increasing interest in mortgage bonds. Thus, 11 per cent of mortgage bonds were held by foreigners at the end of 2007 compared to about 5 per cent in 1996.

¹ Following the introduction of the euro on 1 January 1999, the euro markets are no longer divided into regions, but constitute a single market.

The money and capital markets

Figure 4

Shares and bonds traded on the Copenhagen Stock Exchange



See table 442 and 443.

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.

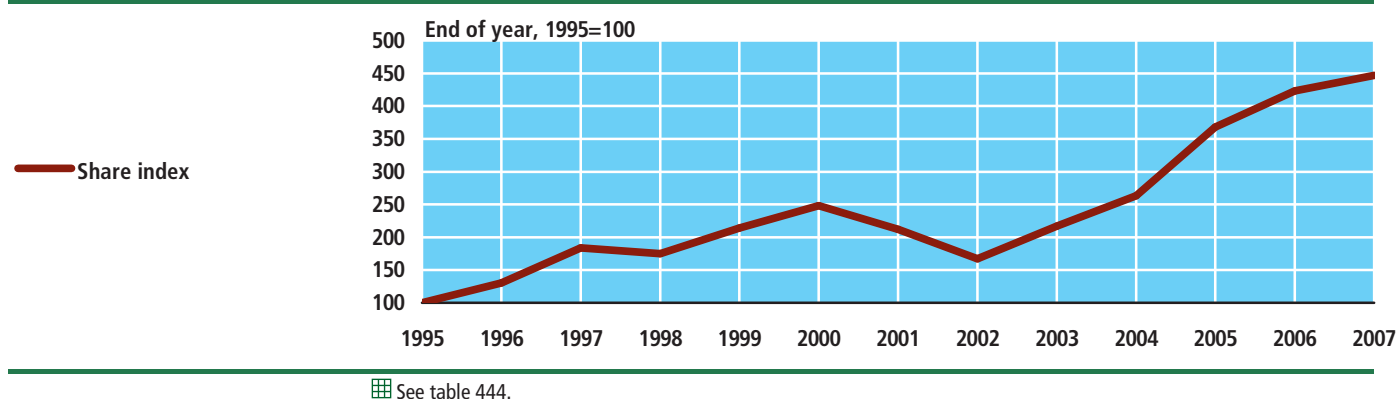
The Danish stock market is not as large as the bond market. It reflects the Danish corporate structure, which is characterised by many small and medium-sized enterprises without the tradition found abroad of entering the stock market to finance their need for capital. In 2007, 204 companies were listed 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, 2002 and 2007 price decreases were widespread and in line with the share price development in the foreign markets.

The money and capital markets

Figure 5

OMXC, index of all shares at market value



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

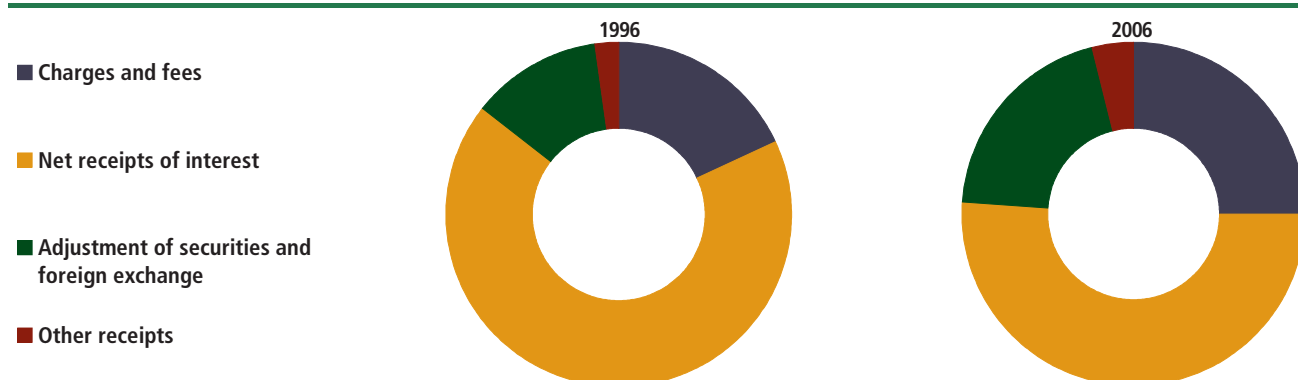
The banking sector handles functions in connection with payment and credit transfers, securities trading and related services. Despite the mergers among the major banks in recent years, a large number of small banks remain. At the end of 2006, 152 banks were registered, of which the two largest account 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. However, an increasing proportion of the banks' earnings derive from charges and fees.

The money and capital markets

Figure 6

The banks' earnings by type



See table 433.

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 881 billion at the end of 2006. In 2006, there were 115 investment associations issuing investment fund shares.

Table 429

Financial sector, main figures

	2005			2006		
	Balance	Companies	Employees	Balance	Companies	Employees
	DKK bn.	number		DKK bn.	number	
Total	7 944	554	59 075	8 849	531	61 465
Banks	3 011	161	39 714	3 484	152	41 579
Mortgage banks	2 088	8	4 111	2 319	8	4 174
The ship Credit fund of Denmark	63	1	54	63	1	53
Securities and broking companies	2	31	353	3	31	371
Investment funds	782	116	...	881	115	306
Non-life insurance companies	139	124	10 305	149	120	10 509
Life insurance companies	953	36	3 248	1 010	34	3 362
Non-occupational pension funds	381	29	493	402	28	388
Company pension funds	43	44	36	43	38	35
Labour Market Supplementary Pension	365	1	733	372	1	671
Employees Capital Pension Fund (LD)	64	1	28	64	1	17
Labour market occupational health insurance	4	1	...	5	1	...
Special pension scheme savings	51	1	...	54	1	...

Source: Danish Financial Supervisory Authority.

For further information visit www.statbank.dk/mpk55

Table 430

Denmark's gold and foreign exchange reserve

End of year	2005	2006	2007
	DKK billion		
Danmarks Nationalbanks gold stock	6.9	7.7	9.1
Danmarks Nationalbanks foreign assets	205.6	165.1	162.6
Claims on the International Valuta Fund	2.7	3.2	2.5
The foreign exchange reserve (gross)	215.2	176.0	174.2
- Danmarks Nationalbanks foreign liability	2.4	3.7	4.6
The foreign exchange reserve (net)	212.8	172.3	169.6

Source: Danmarks Nationalbank.

Table 431

Money stock

	2005	2006	2007
	DKK billion		
Money stock	806.5	897.6	1 040.6
Notes and coins outside the banking sector	47.3	50.7	51.9
Deposit in banks and savings banks	759.2	846.9	988.7
- Demand deposits	604.3	656.6	714.4
- Agreement deposits ¹	154.9	190.3	274.3

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

Source: Danmarks Nationalbank.

Table 432

Profit and loss account and balance sheet of Danmarks Nationalbank

	2005	2006	2007
	DKK mio.		
Profit and loss account			
Interest receivable, etc. total	9 349	10 469	13 895
Interest on foreign assets	5 420	5 320	6 736
Interest and commission on loans, etc.	2 162	3 692	5 681
Interest and dividends on securities	1 767	1 457	1 478
Interest payable, etc. total	5 665	6 986	9 790
Interest on foreign liabilities	44	60	62
Interest on deposits, etc.	5 621	6 926	9 728
Expenses, total	804	569	715
Administrative expenses	326	309	327
Other expenses	478	260	388
Exchange-rate and value adjustment, total	1 210	-690	1 634
Revaluation of gold stock	1 818	759	1 383
Revaluation of foreign-exchange accounts	-97	-780	591
Revaluation of securities	-511	-669	-340
Other ordinary receipts	848	48	59
Allocation to reserves, etc.	1 984	37	-98
Net profit of the year	2 954	2 235	5 181
Balance sheet			
Assets, total	391 996	364 872	424 540
Stock of gold	6 941	7 700	9 084
Special drawing rights in the IMF	3 557	3 189	2 561
Foreign assets	204 204	164 556	161 722
Lending	139 619	157 207	219 368
Securities	35 077	29 396	28 581
Other assets	2 598	2 824	3 224
Liabilities , total	391 996	364 872	424 540
Notes in circulation	50 953	54 249	55 782
Coin in circulation	5 264	5 518	5 771
Allocations of Special Drawing Rights	1 614	1 522	1 432
Foreign liabilities	2 391	3 729	4 585
Deposits	15 028	10 277	11 518
Deposit certificates	207 582	163 160	200 451
The Central Government's current account	56 428	73 789	89 899
Other liabilities	52 736	52 628	55 102

Source: Danmarks Nationalbank.


 For further information visit www.statbank.dk/mpk38

Table 433

Profit and loss account and balance sheet of Danish banks

End of year	2005	2006
Number of banks	161	152
Antal ansatte, ultimo året	39 714	41 579
	DKK mio.	
Profit and loss account		
+Interest income	96 498	121 801
– Interest expenses	59 263	85 442
Net income from interest, net	37 235	36 359
+Share dividends	766	1 514
+Charges and commissions income	20 908	21 693
–Charges and commissions expenses	3 897	3 801
Net income from charges and commissions	55 012	55 765
+Revaluation of securities and foreign exchange	5 202	12 584
+Other ordinary income	2 598	2 838
Profit/loss on financial items	62 812	71 187
–Staff and administrative expenses	33 802	37 128
–Depreciation of tangible and intangible assets	2 291	2 585
–Other operating expenses	78	67
–Depreciations and provisions, net	-942	-1 937
+Adjustments of shares	7 647	8 945
Profit/loss on ordinary activities	35 230	42 289
+Extraordinary receipts, net	1	23
Profit/loss before tax	35 231	42 312
–Tax	8 220	8 926
Profit/loss for the year	27 011	33 386
Balance sheets		
Assets, total	2 994 323	3 473 735
Claims on credit institutions, etc.	656 865	650 412
Loans	1 336 065	1 688 709
Bonds, etc.	584 310	679 775
Shares, etc.	25 299	31 488
Holdings in associated and affiliated enterprises	83 316	93 256
Intangible assets	6 717	7 902
Tangible assets	15 281	16 631
Other assets	286 470	305 562
Liabilities, total	2 994 323	3 473 735
Liabilities to credit institutions, etc.	803 352	1 038 380
Deposits	1 175 682	1 287 502
Issued bonds, etc.	318 542	379 510
Other liabilities, accruals and deferred income	449 102	467 339
Provisions for liabilities and charges	4 327	4 248
Capital deposits	72 305	82 013
Equity capital	171 013	214 743

Note: Excluding the banks in Greenland.

Source: Danish Financial Supervisory Authority.

For further information visit www.statbank.dk/mpk39

Table 434

Bank credits to residents and residents' deposits with major banks. 2007 – correction

	Deposits	Credits ¹
	DKK mio.	
Total	1 419 899	1 374 757
Commercial sector	1 381 329	1 020 800
Agriculture, fishing and quarrying	28 086	55 297
Agriculture, horticulture and forestry	25 258	52 006
Fishing	943	2 726
Mining and quarrying	1 885	565
Manufacturing	28 577	88 688
Mfr. of food, beverages and tobacco	3 337	27 442
Mfr. of textiles, wearing apparel, leather	606	3 085
Mfr. of wood products, printing and publishing	3 116	8 070
Mfr. of chemicals, plastic products	8 840	11 528
Mfr. of other non-metallic mineral products	717	2 810
Mfr. of basic metals and fabricated metal products	10 040	31 653
Mfr. of furniture; manufacturing n.e.s.	1 921	4 100
Energy and water supply	12 018	16 429
Construction	19 202	35 339
Wholesale, retail trade, hotels and restaurants, etc.	44 778	90 326
Sale and repair of motor vehicles, sale of fuel	4 266	13 660
Wholesale and commission trade, except motor vehicles	22 496	50 741
Retail trade and repair work, except of motor vehicles	14 190	17 241
Hotels and restaurants, etc.	3 826	8 684
Transport, post and telecommunications	26 939	43 247
Transport	19 130	37 130
Post and telecommunications	7 809	6 117
Financial intermediation, business activities	648 053	577 727
Financial intermediation and insurance	522 887	371 189
Letting and sale of real estate	41 121	118 209
Business activities, etc.	84 045	88 329
Public and personal services	84 290	59 563
Public administration	47 284	37 639
Education	4 228	1 989
Human health activities	13 058	8 613
Social institutions	2 101	1 035
Refuse collection, associations and recreation activities, etc.	17 619	10 287
Activity not stated	38 570	54 184
Employees, pensioners, etc.	489 386	353 957

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.

Table 435

Long-term savings schemes with deposit accounts of Danish banks

End of year	2005	2006	Percentage change in relation to previous year
	DKK mio.		per cent
Specific deposit accounts, total	159 817	169 575	6.1
Index-linked pension savings	12 587	11 908	-5.4
Capital-pension accounts	78 217	80 170	2.5
Savings accounts for children	10 578	11 006	4.0
Private pension schemes	4 397	3 799	-13.6
Investment-fund accounts	22	19	-13.6
Business establishment savings	942	906	-3.8
Home-savings contracts	631	568	-10.0
Instalment-pension accounts	41 933	52 048	24.1
Savings accounts for education	466	383	-17.8
Premium lottery accounts	10 008	8 731	-12.8
Market fluctuation adjustment accounts	36	37	2.8

Source: Danish Financial Supervisory Authority.

For further information visit www.statbank.dk/mpk43

Table 436

Danish electronic payment card system

	1985	1990	1995	2000	2007
Electronic card system	thousands				
Number of cards	609	1 731	2 703	3 018	3 859
Transaction					
Electronic	106	65 783	218 119	390 851	733 230
Slips	1 060	15 803	22 622	8 722	3 931
Turnover	DKK mio.				
Electronic	58	30 844	71 665	132 970	266 561
Slips	636	8 010	10 870	4 995	3 560

Note: Transactions using cash points are not included.

Source: Danish Payment Systems.

For further information visit www.statbank.dk/mpk41

Table 437

Mortgage banks

	2005	2006
Number of institutions	8	8
	DKK mio.	
Profit and loss account		
+Interest income	82 438	82 145
– Interest xpenses	69 901	70 392
Net income from interest	12 537	11 753
+Charges and commissions receivable	666	-304
Net income from charges and commissions	13 203	11 449
– Expenditure of the personnel administration and other operating expenses	4 643	4 834
– Depreciation and provisions on loans	-60	-290
+Adjustment of capital interest	3 010	5 094
+Other ordinary receipts	58	183
Profit/loss on ordinary activities	11 688	12 182
+Extraordinary receipts (net)
– Tax	2 660	2 808
Profit/loss for the year	9 028	9 374
Balance sheets		
Assets, total	2 087 777	2 318 658
Claims on credit institutions, etc.	188 074	265 674
Loans	1 711 815	1 851 085
Bonds and shares, etc.	162 201	168 229
Holdings in associated and affiliated enterprices	10 702	15 858
Intangible assets	3 195	4 013
Tangible assets	913	1 152
Other assets	10 877	12 647
Liabilities, total	2 087 777	2 318 658
Liabilities to credit institutions	151 553	227 436
Issued bonds, etc.	1 754 273	1 898 421
Other liabilities, accruals and deferred income	50 546	50 525
Provisions for liabilities and charges	2 295	2 273
Capital deposits	18 096	16 726
Equity capital	111 014	123 277

Source: Danish Financial Supervisory Authority.

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

Table 438

Lending activity of mortgage banks

	2005	2006	2007
	DKK mio.		
Loans incl. index-linked loans, total	165 509	158 046	176 823
Owner-occupied dwellings and holiday homes	115 088	105 736	94 664
Rental housing	21 996	24 122	24 720
Business properties	26 804	27 121	55 467
Other properties	1 621	1 067	1 972

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

Source: Danmarks Nationalbank.

Table 439

Major finance companies, factoring and other loans

	Total activities 2005	Total activities 2006	Status at end of year 2005	Status at end of year 2006
	DKK mio.			
Factoring	28 389	30 951	3 848	3 521
Other loans	11 784	15 153	32 296	32 736

Source: Individual finance company.

For further information visit www.statbank.dk/mpk57

Table 440

Major finance companies, leasing

	2005	2006
	DKK mio.	
Activities in the year		
Total	20 016	21 735
Industrial equipment	2 765	3 178
Edp and office equipment	3 321	3 253
Lorries and vans	7 814	8 342
Passengercars	3 406	3 577
Vessels, aircraft, railway material	118	130
Buildings	380	379
Other	2 212	2 876
Status at end of year	48 371	54 198

Source: Individual finance company.

For further information visit www.statbank.dk/mpk31

Table 441

Consumer credit

End of year	2005	2006	2007
	DKK mio.		
Total	16 515	18 194	20 515
Balance on credit and account cards	6 686	6 882	7 550
Of which, petrol companies	1 549	1 563	1 521
Blank credit	6 881	8 279	10 216
Secured credit	2 948	3 033	2 749

Source: Each individual financing company and credit card company.

For further information visit www.statbank.dk/mpk30

Table 442

Quoted bonds in circulation by holder sector. 2007

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	467 568	2 579 279	261 515	3 308 362
Non-financial corporations	5 141	102 870	10 995	119 006
Financial corporations	46 166	1 382 796	159 243	1 588 205
Monetary financial institutions	19 193	1 087 834	127 729	1 234 756
Other financial institutions	26 973	294 962	31 514	353 449
Insurance and pension funds corporations	102 584	575 824	36 724	715 132
General government	127 673	34 614	3 740	166 027
Central government	126 284	13 000	1 112	140 396
Local government	1 374	19 979	2 626	23 979
Social security funds	15	1 635	2	1 652
Households	947	27 838	1 106	29 891
Non-profit institutions serving households	4 154	115 413	30 546	150 113
Sector unknown	6 746	48 926	5 207	60 879
Abroad	174 157	290 997	13 955	479 109

¹ Bonds issued by mortgage banks and bonds issued by other institutions that issue bonds. ² Local government bonds, bonds issued by the Ship Credit Fund of Denmark, debentures, foreign bonds and CMO bonds.

Source: The Danish Securities Centre.

Table 443

Owners of quoted shares and unit trust certificates by holder sector. 2007

Share prices, end of year	Issuing companies					
	Non-financial corporations			Financial corporations	Foreigns corporations	Total
	Manufacturing, etc.	Transport, postal services and telecommunications	Other corporations			
Owners ¹	DKK billion					
Total	297.4	365.7	371.3	772.3	63.5	1 871.5
Non-financial corporations	67.7	224.5	83.2	96.3	2.8	474.9
Financial corporations	21.4	12.5	39.5	129.2	16.0	219.1
Insurance and pension funds corporations	22.6	18.9	34.1	90.8	4.1	170.7
General government	0.7	7.5	0.7	5.6	1.6	16.1
Non-profit institutions serving households	39.8	34.1	63.5	340.2	15.0	492.8
Households ²	3.2	2.8	2.9	14.0	0.8	23.7
Abroad	139.6	62.6	141.5	74.1	22.3	440.1
Sector unknown	2.5	2.8	5.8	22.1	0.9	34.1

¹ Owners are defined as account holders with the Danish Securities Centre. ² Households consists of privately owned enterprises, employees, pensioners etc.

Source: Danmarks Nationalbank.

Table 444

Share index

OMXC-index	2005	2006	2007
End of the year	end of 1995 =100		
Total	368	423	447
Energy	182	218	236
Materials	257	339	369
Manufacturing	415	431	539
Discretionary	258	316	238
Consumer goods	159	192	188
Health Care	477	641	699
Finance	482	607	523
ICT	343	515	395
Telecommunication	244	138	182
Utilities	948	1 363	2 004

Source: Copenhagen Stock Exchange.

For further information visit www.statbank.dk/mpk13

Table 445

Yield on bonds

		2005	2006	2007
		per cent p.a.		
Yield				
Government bonds:				
5 year:	End of year	3.05	3.92	4.23
	Annual average	2.90	3.59	4.22
10 year:	End of year	3.30	3.95	4.48
	Annual average	3.40	3.81	4.29
Mortgage credit bonds:				
20 year:	End of year	4.20	4.67	5.49
	Annual average	4.58	4.62	5.13
30 year:	End of year	4.39	5.24	5.61
	Annual average	4.35	5.09	5.44

Source: Danmarks Nationalbank.

Table 446

Pension funds

	Intersectoral pension funds		Corporate pension funds	
	2005	2006	2005	2006
Number of members	640 747	668 735	19 066	18 882
Working members	554 752	575 017	8 172	7 760
Retired members	66 338	73 534	7 785	7 979
Retired spouses	11 552	11 992	2 290	2 299
Children who receive children's pension	8 105	8 192	819	844
	DKK mio			
Current annual pension, total	6 376	7 095	1 588	1 635
Pension for members	5 268	5 891	1 319	1 357
Pension for spouses	913	962	255	264
Pension for children	195	242	14	14
Miscellaneous income				
Member contributions	13 161	14 995	730	679
Of which extraordinary contributions	-	-	405	326
Interest income and profits	10 290	10 309	1 496	1 433
Miscellaneous expenditure¹				
Pensions	7 716	8 548	1 607	1 670
Retirement allowances	433	651	94	68
Assets, total	381 048	402 367	42 474	42 920
Central government bonds ¹	25 638	19 615	7 549	4 730
Local government bond ¹	1 582	1 654	318	313
Mortgage credit bonds, etc. ¹	59 457	80 933	16 000	18 521
Cash at bank and in hand	580	196	241	264
Mortgage credits	177	126	2	1
Loans with other collateral	21 665	10 082	61	2
Other assets	271 949	289 761	18 303	19 089
Premium reserves	299 834	303 847	36 268	34 465

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 447**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	7. juni	4.00
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 448****Exchange rates**

		Currency	2005	2006	2007
			DKK		
Pound sterling	GBP		1 090.02	1 094.32	1 089.81
Bulgarian lev	BGN		381.02	381.38	380.95
Estonian kroon	EEK		47.63	47.67	47.62
Icelandic krona	ISK		9.55	8.55	8.51
Latvian lats	LVL		1 070.38	1 071.34	1 064.24
Lituanian litas	LTL		215.82	216.03	215.78
Norwegian krone	NOK		93.11	92.71	92.99
Polish zloty	PLN		185.46	191.58	196.96
Swiss franc	CHF		481.30	474.22	453.66
Slovak koruna	SKK		19.31	20.05	22.06
Swedish krona	SEK		80.29	80.62	80.57
Czech koruna	CZK		25.03	26.32	26.85
Hungarian forint	HUF		3.00	2.83	2.96
EU common currency	EUR		745.19	745.91	745.06
Australian dollars	AUD		600.34	594.70	544.56
Canadian dollars	CAD		457.13	447.76	456.06
Hong Kong dollars	HKD		496.12	524.24	508.24
Japanese yen	JPY		77.20	76.55	69.80
Singapore dollars	SGD		5.45	5.11	4.62
US dollars	USD		360.41	374.17	361.21
Effective rate of DKK 1980 = 100			101.60	101.60	103.2

Note: The rate is the annual average.

Source: Danmarks Nationalbank.

For further information visit www.statbank.dk/mpk101

Table 449

Life assurance companies

	2005	2006
Number of companies	36	34
Profit and loss account	DKK mio.	
A: Insurance activities		
+Premiums net of reinsurance	67 371	74 877
+Allocated investment return transferred from the technical account		
Receipts from insurance activities	94 576	32 042
– Claims incurred, net of reinsurance	161 947	106 919
– Change in life assurance provisions	42 867	51 382
– Administrative expenses	84 620	27 524
– Change in bonus equalization provisions	4 095	4 184
+Result from sickness and accident insurance	28 041	21 467
Result from insurance activities	-371	269
	1 953	2 631
B: Investment activities		
+Result from investment activities	108 702	35 951
– Real interest tax	14 126	3 909
– Allocated investment return transferred to the technical account	90 435	29 741
– Yield on investments carried forward to sickness and accident insurance	-	-
Result from investment activities	4 141	2 301
C: Total activities		
+Result from primary operation	6 094	4 932
+Other ordinary receipts, net	22	164
+Extraordinary receipts, net	49	0
– Taxes	1 423	855
Net result for the year	4 742	4 241
D: Increase in equity capital		
+Net result of the year	4 742	4 241
+Balancing items
+Capital injection
– Dividends, etc.	56	9
Increase in equity capital, total	4 686	4 232
Of which allocated to contingency reserve
Balance sheets		
Assets total	953 151	1 010 371
A: Investment assets		
Land and buildings	9 862	10 405
Bonds	556 842	544 677
Shares and other capital holdings	223 307	281 894
Loans	34 428	15 828
Other	18 548	21 981
B: Other assets	110 164	135 586
Liabilities, total	953 151	1 010 371
Equity capital	55 809	56 511
Provisions	869 411	920 530
Other liabilities	27 931	33 330

Source: Danish Financial Supervisory Authority.

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

Table 450

Accounts of non-life insurance companies

	2005	2006
Number of companies	126	126
Profit and loss account	DKK mio.	
A: Insurance activities		
+Gross premiums written, net of reinsure	39 568	43 643
+Technical interest	650	1 243
Receipts from insurance activities	40 218	44 886
– Claims incurred, net of reinsurance	29 283	28 511
– Administrative expenses	7 013	8 648
– Other insurance technical items	703	690
Result from insurance activities	3 219	7 037
B: Investment activities		
+Result from investment activities	8 717	10 103
C: Total activities		
Result from primary operation	11 936	17 140
+Other ordinary receipts, net	-1 698	3 004
+Extraordinary receipts, net	-	724
– Taxes	1 981	2 916
Net result for the year	8 258	17 954
D: Increase in equity capital		
Net result for the year	8 189	11 867
+Balancing items	...	4 634
+Capital injection	...	8
Increase, total	8 189	16 509
– Dividends, etc.	5 735	5 797
Increase in equity capital, total	2 454	10 712
Of which allocation to contingency reserve	...	201
Balance sheets		
Assets, total	143 348	150 984
A: Investment assets		
Land and buildings	3 390	5 192
Bonds	68 022	75 055
Shares and other capital holdings	45 998	47 644
Loans	803	787
Other	5 729	4 548
B: Other assets	19 406	17 758
Liabilities, total	143 348	150 984
Equity, total	61 198	66 532
Provisions	70 107	69 506
Other liabilities	12 043	14 946

Source: Danish Financial Supervisory Authority.

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

Table 451

Non-life insurance by type

	Premiums		Compensation	
	2005	2006	2005	2006
	DKK mio.			
Total	44 543	47 641	35 222	29 714
Total commercial insurance	14 687	15 027	12 924	9 947
Workmen's compensation	3 716	3 871	3 711	3 757
Buildings	3 816	3 782	4 739	2 112
Contents (other than stock and machinery)	3 007	3 155	1 959	1 841
Professional liability	1 408	1 489	933	707
Marine and transport	1 037	1 137	673	970
Aviation	990	889	443	199
Other commercial insurance	714	704	467	361
Total private insurance	8 341	8 765	6 764	5 988
Householder's comprehensive	3 239	3 318	1 953	2 113
Homeowner's comprehensive	3 578	3 694	3 552	2 544
Weekend cottages	472	484	332	249
Change of ownership insurance	316	412	448	477
Other private insurance	735	857	479	605
Total personal accident insurance	7 195	8 367	6 196	6 171
Health insurance	369	424	253	325
Single accident and sickness	6 888	7 587	5 752	5 631
Professional disability	-62	356	191	215
Total motor vehicle insurance	12 038	12 555	7 973	6 536
Third-party liability	4 978	5 196	4 443	2 759
Vehicle (own damage)	7 060	7 359	3 529	3 777
Credit and suretyship	400	403	-22	7
Touristassistance and Legal aid insurance	63	73	27	33
Total direct business	42 724	45 190	33 862	28 682
Total indirect business	1 819	2 451	1 360	1 032

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