

Money and credit market

The money and credit markets

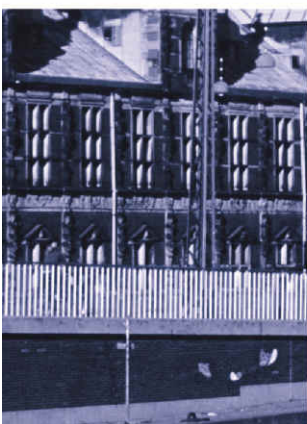
Interest rate and price changes

Securities

Banks and mortgage-credit institutes

Other financial intermediaries

Insurance companies and pension funds



The money and credit markets

Capital transfers from lenders to borrowers

A capital market is a market where financial products are traded, such as 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.

A smooth payment mechanism

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.

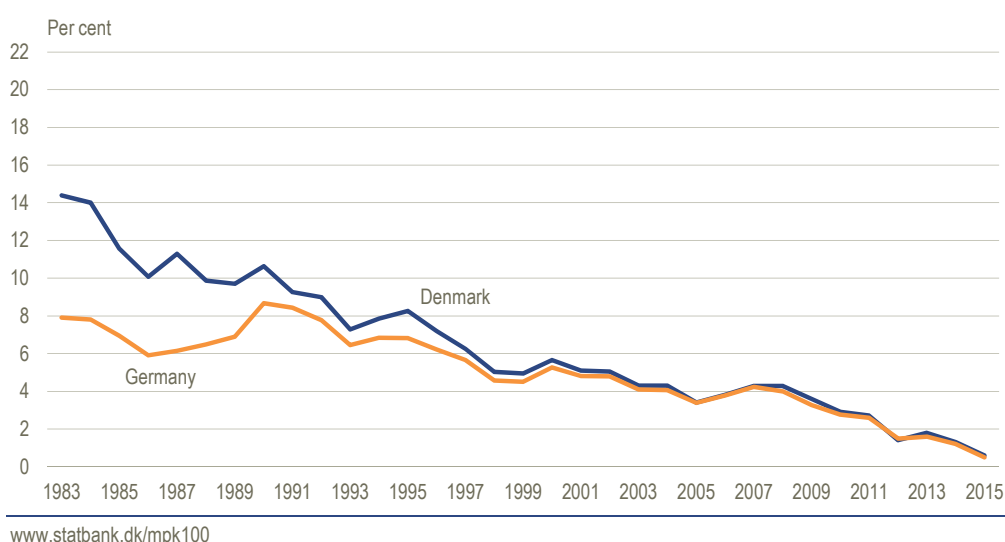
Interest rate and price changes

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 fixed 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. This difference has diminished until the beginning of the 1990's after which the two interest rates have developed in parallel. In 2015 the Danish long-term bond interest rate was 0.6 per cent and the German long-term bond interest rate 0.5 per cent.

Figure 1 Interest rate on 10-year government bonds



Long-term interest rate reached 21 per cent in 1982

The interest on a financial claim reflects the lender's compensation providing capital. 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 CIBOR interest rate is applied as an indicator of the short-term interest rate, while the interest rate on ten-year government bonds often is the indicator of the long-term interest rate.

The short-term interest rate can be affected 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 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.

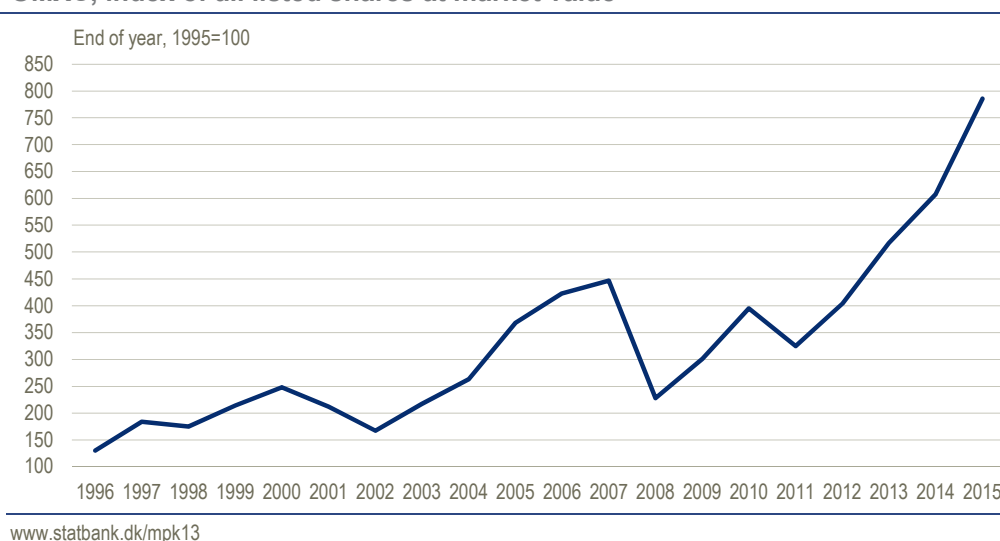
In 1982, the short-term interest rate was as high as 21 per cent per annum, partly because of high inflation expectations.

Shares are risky investments

A share is a certificate of ownership of a company. The value of the share depends above all on the expected 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 for listed companies 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 2015, 147 companies were listed on the Stock Exchange.

Figure 2 OMXC, index of all listed shares at market value



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 CAP, which is a weighted market value index of the 20 largest and most traded shares.

There has been a trend of increasing prices reflecting the trends in the international markets. However widespread decreases in the stock markets are observable in the Danish indices. The sharp drop in 2008 followed the financial crisis which started in October 2008 and the European Debt crisis has contributed to the latest widespread decrease in the markets. Since 2012 the stock markets worldwide has regained the losses from the latest crises.

Securities

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 2015, about 23 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, 21 per cent of mortgage bonds were held by foreigners at the end of 2015 compared to about 5 per cent in 1996.

Figure 3 Shares and bonds traded on the Copenhagen Stock Exchange



www.statbank.dk/dnvpdks

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.

Banks and mortgage-credit institutes

The Central Bank purchased foreign currency to keep the krone rate stable

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.

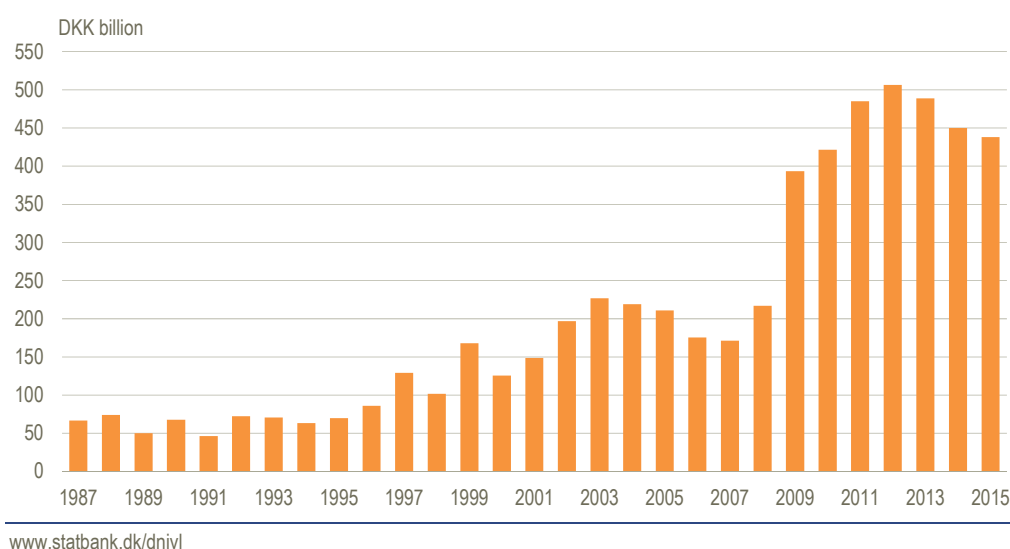
Danmarks Nationalbank trades in the foreign exchange market with a view to stabilize the krone rate through purchases and sales of foreign currency against Danish kroner. Thus, the primary purpose of foreign exchange reserves is to enable Danmarks Nationalbank to use intervention as a tool to maintain 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. In the period 2003 – 2008 the volume of the foreign exchange reserves decreased.

Marked increase in foreign exchange reserves in recent years

In the latest period the volume has increased, because of the difference in interest rates between Denmark and especially the Euro-area. As the interest rates have fallen in general, even small differences have made it attractive for foreign investors to invest in Danish securities. This has increased the demand for Danish kroner. The Central Bank has purchased foreign currency in order to stabilize the exchange rate.

Figure 4 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, which do not participate in the European Monetary Union. In the agreement called ERM II (Exchange Rate Mechanism II) Denmark is accompanied by Lithuania. 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.

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.

Figure 5 Dankort (debit card) sales and notes and coins in circulation

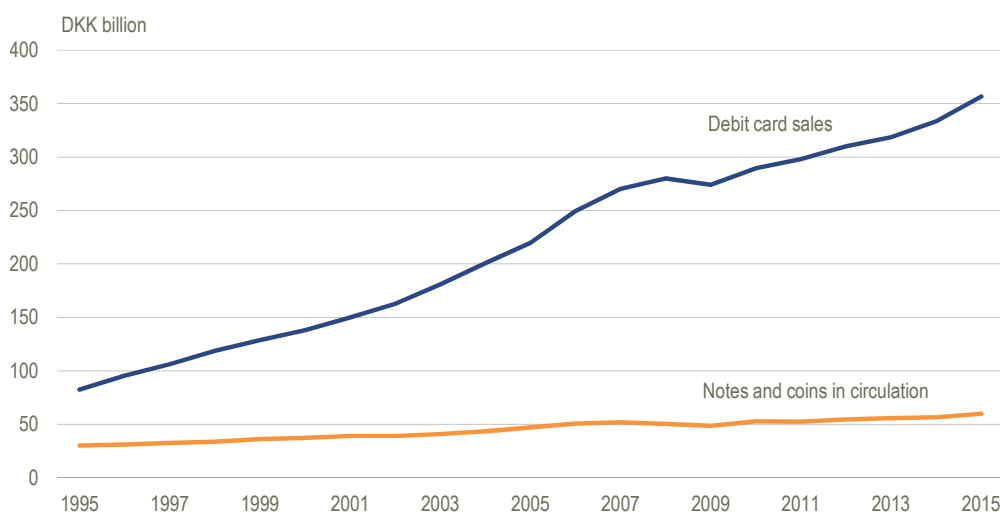


Table 321 and 323

Until 1931, the value of notes and coins could be converted into gold at Danmarks Nationalbank. Although the gold convertibility was subsequently abolished, the gold standard existed formally until 1971. This implied that Danmarks Nationalbank had a duty to maintain gold reserves corresponding to the value of notes and coins in circulation. Today, money is still claims against Danmarks Nationalbank, but these claims are no longer covered by the gold reserves of Danmarks Nationalbank.

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.

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 intercompany ownership among the financial companies. This implies that a mortgage credit institute may own a bank and vice versa. As a result, the capital market has seen a number of mergers and group formations

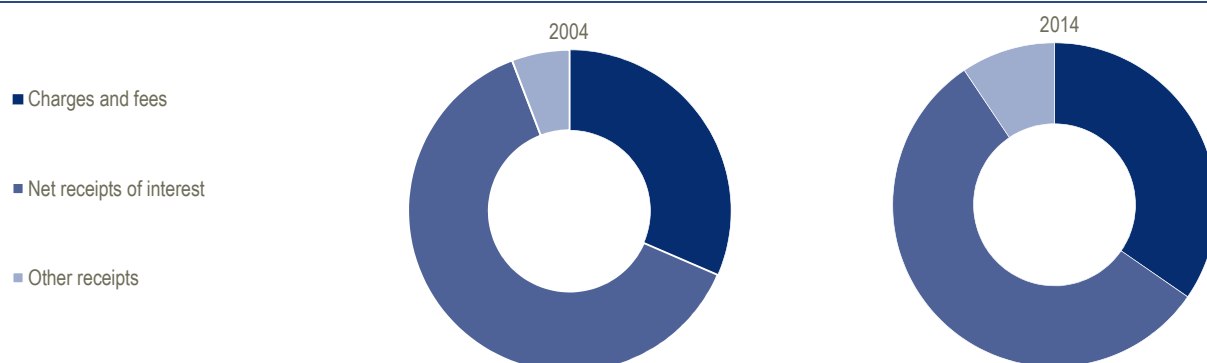
Few large and many small banks

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 2014, 84 banks were registered, of which the two largest account for 71 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, a significant proportion of the banks' earnings derive from charges and fees.

Figure 6

The banks' earnings by type



www.statbank.dk/mpk39

Lending activity of mortgage credit institutes depends on interest changes

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

Other financial intermediaries

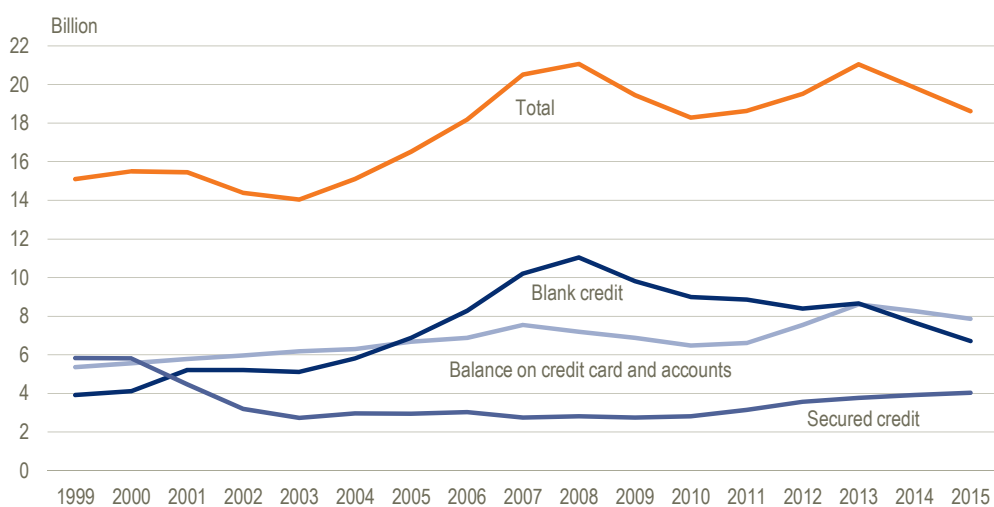
Consumer credit

In addition to banks and mortgage credit institutes, credit is offered to Danish consumers by finance companies. There was a sharp increase in total consumer credit until the beginning of the global financial crisis in 2008. Over a 5-year period con-

sumer credit increased by 50 per cent from DKK 14 billion by the end of 2003 to DKK 21 billion by the end of 2008.

The increase was primarily boosted by the Danes' use of blank credit, which is an unsecured personal loan. The use of blank credit has been steadily falling since the global financial crisis. In the period from 2011 to 2013 the total consumer credit has increased again. This is mainly due to increased withdrawals from retailer credit cards and account cards, which cover all types of lending to which a secured or unsecured retailer credit card or account card is attached. In 2014 and 2015 the total consumer credit decreased. A large part of the drop is due to changes in the number of companies in the sector for non-bank consumer credit companies.

Figure 7 Consumer credit, end of year



www.statbank.dk/mpk30

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 772 billion at the end of 2014.

Insurance companies and pension funds

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.

Table 304 Owners of quoted shares and unit trust certificates. 2015

Share prices. end of year	Non-financial corporations			Financial corporations	Foreigns corporations	Total
	Manufacturing etc.	Transport. postal services and telecommunications	Other corporations			
Owners ¹						
	DKK billion					
Total	1 092.5	111.9	903.3	1 588.0	55.3	3 751.0
Non-financial corporations	159.6	12.1	222.6	166.2	3.2	563.8
Financial corporations	46.8	15.2	88.4	235.3	21.9	407.6
Insurance and pension funds corporations	11.1	3.5	25.7	452.4	6.1	498.8
General government	0.2	0.0	11.8	23.9	1.0	37.0
Households ²	149.6	10.6	111.2	489.9	17.0	778.4
Non-profit institutions serving households	3.3	0.5	5.5	25.4	0.9	35.6
Abroad	722.0	69.9	438.0	194.4	4.5	1 428.8
Sector unknown	0.0	0.0	0.0	0.4	0.3	0.7

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
www.statbank.dk/dnvpdkts

Table 305 Share index

OMXC-index	2014	2015
End of the year	end of 1995 =100	
Total	608	786
Energy	35	74
Materials	1 619	227
Manufacturing	425	411
Discretionary	80	117
Consumer goods	177	201
Health Care	2 106	3 113
Finance	459	499
ICT	627	1 297
Telecommunication	153	111
Utilities	135	122

Source: Copenhagen Stock Exchange
www.statbank.dk/mpk13

Table 306 Quoted bonds in circulation by holder sector. 2015

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	620 022	2 995 503	167 911	3 783 436
Non-financial corporations	3 867	110 779	11 601	126 247
Financial corporations	92 406	1 499 895	81 386	1 673 687
Monetary financial institutions	35 771	990 752	46 652	1 073 175
Other financial institutions	56 635	509 144	34 734	600 513
Insurance and pension funds corporations	245 066	641 191	29 469	915 726
General government	62 241	65 063	8 456	135 760
Central government	62 736	22 519	2 657	87 912
Local government	-506	41 645	5 752	46 891
Social security funds	8	870	32	910
Households	1 451	40 311	10 711	52 473
Non-profit institutions serving households	400	17 524	906	18 830
Sector unknown	66	99	5	170
Abroad	214 524	620 642	25 377	860 543

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: Danmarks Nationalbank
www.statbank.dk/dnvpdks

Table 307 Financial sector, main figures

	2013			2014		
	Balance	Companies	Employees	Balance	Companies	Employees
	DKK bio.	number		DKK bio.	number	
Total	11 621	379	61 868	12 411	328	62 174
Banks	3 833	88	39 037	4 049	84	37 851
Mortgage banks	3 566	7	4 420	3 718	7	4 380
The ship Credit fund of Denmark	67	1	61	69	1	62
Securities and broking companies	3	43	541	2	41	541
Investment trusts	835	84	...	770	49	...
Investment funds (big) ¹	0.7	4	206	0.6	4	128
Investment funds (small) ¹	1.1	11	236	1.2	10	217
Non-life insurance companies	175	76	11 823	206	75	13 533
Life insurance companies	1 757	21	3 337	2 013	19	3 314
Non-occupational pension funds	585	18	217	646	16	210
Company pension funds	53	23	32	59	19	27
ATP, LD, AES and SP	745	3	1 958	877	3	1 911

¹ Large - with licence to carry out securities trading activities. Small - without licence to carry out securities trading activities.

Source: Danish Financial Supervisory Authority
www.statbank.dk/mpk55

Table 308 Profit and loss account and balance sheet of Danmarks Nationalbank

	2014	2015
	DKK mio.	
Profit and loss account		
Net interest receivable	1 144	1 877
Market value adjustment	4 896	2 128
Dividend on investments	1 495	263
Other income	5	5
Costs including depreciation	-575	-678
Net profit of the year	6 965	3 595
Balance sheet		
Assets, total	536 473	481 687
Stock of gold	15 707	15 490
Special drawing rights in the IMF	19 543	19 601
Foreign assets	425 651	405 502
Lending	37 583	3 502
Securities	34 490	33 689
Other assets	3 499	3 903
Liabilities, total	536 473	481 687
Notes in circulation	61 459	64 215
Coin in circulation	5 888	5 951
Allocations of Special Drawing Rights	13 575	14 507
Foreign liabilities	3 345	3 084
Deposits	163 537	160 930
Other liabilities	5 644	3 872
The Central Government's current account	214 869	158 244
Equity capital	68 156	70 884

Source: Danmarks Nationalbank
www.statbank.dk/mpk38

Table 309 Discount rate of Danmarks Nationalbank

Discount rate		Discount rate		Discount rate	
		per cent			
1995		17. march	3.50	7. june	4.00
8. march	6.00	28. april	3.75	2008	
6. july	5.75	9. june	4.25	4. july	4.25
3. august	5.50	1. september	4.50	8. oktober	4.50
25. august	5.00	6. oktober	4.75	7. november	4.00
9. november	4.75	2001		5. december	3.50
15. december	4.25	14. may	4.50	2009	
1996		31. august	4.25	16. january	2.75
25. january	4.00	18. september	3.75	6. march	2.00
7. march	3.75	9. november	3.25	3. april	1.75
19. april	3.25	2002		11. may	1.40
1997		6. december	2.75	8. june	1.20
10. oktober	3.50	2003		14. august	1.10
1998		7. marts	2.50	28. august	1.00
6. may	4.00	6. june	2.00	2010	
29. may	3.75	2005		15. january	0.75
21. september	4.25	2. december	2.25	2011	
5. november	4.00	2006		7. april	1.00
4. december	3.50	3. march	2.50	8. july	1.25
1999		9. june	2.75	4. november	1.00
4. february	3.25	4. august	3.00	9. december	0.75
9. april	2.75	6. oktober	3.25	2012	
5. november	3.00	8. december	3.50	1. june	0.25
2000		2007		6. july	0.00
4. february	3.25	9. march	3.75		

Source: Danmarks Nationalbank
www.statbank.dk/disk

Table 310 Profit and loss account and balance sheet of Danish banks

End of year	2013	2014
Number of banks	88	84
Antal ansatte, ultimo året	39 037	37 851
	DKK mio.	
Profit and loss account		
+Interest income	79 332	72 899
÷Interest expenses	32 216	25 577
Net income from interest, net	47 116	47 322
+Share dividends	2 482	2 914
+Charges and commissions income	26 971	29 302
÷Charges and commissions expenses	6 351	6 036
Net income from charges and commissions	70 217	73 502
+Revaluation of securities and foreign exchange	4 091	-2 295
+Other ordinary income	3 018	7 958
Profit/loss on financial items	77 326	79 165
÷Staff and administrative expenses	47 030	46 942
÷Depreciation of tangible and intangible assets	3 320	13 093
÷Other operating expenses	1 551	1 209
÷Depreciations and provisions, net	17 031	12 468
+Adjustments of shares	7 773	10 773
Profit/loss on ordinary activities	16 167	16 227
+Extraordinary receipts, net	0	0
Profit/loss before tax	16 167	16 227
÷Tax	2 777	2 160
Profit/loss for the year	13 390	14 067
Balance sheets		
Assets, total	3 799 662	4 014 610
Claims on credit institutions, etc.	412 426	428 775
Loans	1 679 328	1 651 838
Bonds, etc.	1 002 261	1 039 317
Shares, etc.	35 473	26 579
Holdings in associated and affiliated enterprises	141 967	158 923
Intangible assets	25 288	15 371
Tangible assets	15 349	14 923
Other assets	487 570	678 882
Liabilities, total	3 799 662	4 014 610
Liabilities to credit institutions, etc.	659 718	648 097
Deposits	1 738 971	1 794 846
Issued bonds, etc.	310 814	336 877
Other liabilities, accruals and deferred income	697 492	850 517
Provisions for liabilities and charges	11 864	12 610
Capital deposits	99 681	67 004
Equity capital	281 122	304 659

Note: Excluding the banks in Greenland.

Source: Danish Financial Supervisory Authority
www.statbank.dk/mpk39

Table 311 Banks' domestic lending and deposits. 2015

	Deposits ¹	Lending ¹
	mio. kr.	
Total	1 462 617	1 273 238
Agriculture, forestry and fishing	21 463	71 152
Mining and quarrying	1 455	749
Manufacturing	33 652	55 482
Electricity, gas, steam and air conditioning supply	8 662	13 082
Water supply, sewerage and waste management	4 722	2 585
Construction	20 754	21 678
Wholesale and retail trade	41 011	64 659
Transportation and storage	21 139	19 742
Accommodation and food service activities	4 644	7 065
Information and communication	19 209	7 120
Financial and insurance activities	296 440	381 364
Real estate activities	63 379	111 206
Professional, scientific and technical activities	64 133	27 142
Administrative and support activities	12 642	20 001
Public administration and defence	10 238	38 417
Education	7 292	2 907
Human health and social work activities	18 996	7 072
Arts, entertainment and recreation	6 183	2 808
Other service activities	28 113	6 196
Activities of households as employers	167	587
Activities of extra-territorial organisations and bodies	473	3
Households	776 803	412 222
Activity not stated	1 049	0

¹ Outstanding at the end of year.

Source: Danmarks Nationalbank

Table 312 Long-term savings schemes with deposit accounts of Danish banks

End of year	2013	2014	Percentage change in relation to previous year
	DKK mio.		per cent
Specific deposit accounts, total	220 390	208 348	-5.5
Index-linked pension savings	6 544	5 643	-13.8
Capital-pension accounts	88 771	70 069	-21.1
Savings accounts for children	14 010	14 213	1.4
Private pension schemes	1 516	1 374	-9.4
Investment-fund accounts	1	1	25.1
Business establishment savings	811	831	2.5
Home-savings contracts	340	359	5.6
Instalment-pension accounts	101 341	108 667	7.2
Savings accounts for education	58	41	-28.7
Premium lottery accounts	6 974	7 125	2.2
Market fluctuation adjustment accounts	24	25	1.8

Source: Danish Financial Supervisory Authority

www.statbank.dk/mpk43

Table 313 Mortgage banks

	2013	2014
Number of institutions	7	7
	DKK mio.	
Profit and loss account		
+Interest income	94 385	93 677
÷Interest xpenses	73 411	71 418
Net income from interest	20 974	22 259
+Charges and commissions receivable	-2 134	-2 012
Net income from charges and commissions	18 839	20 247
÷Expenditure of the personnel administration and other operating expenses	5 111	4 835
÷Depreciation and provisions on loans	5 674	4 905
+Adjustment of capital interest	65	-1 120
+Other ordinary receipts	72	63
Profit/loss on ordinary activities	8 190	9 450
+Extraordinary receipts (net)
÷Tax	1 758	2 307
Profit/loss for the year	6 433	7 143
Balance sheets		
Assets, total	3 565 792	3 718 335
Claims on credit institutions, etc.	717 550	782 927
Loans	2 582 434	2 634 958
Bonds and shares, etc.	205 709	240 600
Holdings in associated and affiliated enterprises	32 290	31 709
Intangible assets	3 021	3 037
Tangible assets	625	649
Other assets	24 163	24 455
Liabilities, total	3 565 792	3 718 335
Liabilities to credit institutions	669 549	698 974
Issued bonds, etc.	2 613 513	2 739 584
Other liabilities, accruals and deferred income	102 419	94 066
Provisions for liabilities and charges	876	723
Capital deposits	16 914	16 505
Equity capital	162 521	168 483

Source: Danish Financial Supervisory Authority
www.statbank.dk/mpk47

Table 314 Major finance companies, factoring and other loans

	Total activities		Status	
	2013	2014	Ult. 2013	Ult. 2014
	DKK mio.			
Factoring	24 287	37 667	5 520	7 416
Other loans	23 179	13 617	51 276	40 078

Source: Individual finance company
www.statbank.dk/mpk57

Table 315 Major finance companies, leasing

	2013	2014
Activities in the year	DKK mio.	
Total	15 426	17 251
Industrial equipment	3 049	2 918
Edp and office equipment	1 560	1 271
Lorries and vans	5 420	6 240
Passengercars	3 484	4 064
Vessels, aircraft, railway material	21	14
Buildings	462	1 142
Other	1 429	1 602
Status at end of year	38 364	39 324

Source: Individual finance company
www.statbank.dk/mpk31

Table 316 Life assurance companies

	2013	2014
Number of companies	21	19
Profit and loss account	DKK mio.	
A: Insurance activities		
+ Premiums net of reinsurance	105 224	108 414
+ Allocated investment return transferred from the technical account	39 764	166 080
Receipts from insurance activities	144 988	274 494
÷ Claims incurred, net of reinsurance	95 058	105 875
÷ Change in life assurance provisions	37 360	156 588
÷ Administrative expenses	4 484	4 457
÷ Change in bonus equalization provisions	5 533	4 847
+ Result from sickness and accident insurance	96	374
Result from insurance activities	2 649	3 101
B: Investment activities		
+ Result from investment activities	46 143	192 238
÷ Tax on pensions yield	6 379	26 159
÷ Allocated investment return transferred to the technical account	37 488	159 695
÷ Yield on investments carried forward to sickness and accident insurance	1 148	4 377
Result from investment activities	1 128	2 007
C: Total activities		
+ Result from primary operation	3 777	5 108
+ Other ordinary receipts, net	866	1 030
+ Extraordinary receipts, net	0	0
÷ Taxes	744	1 700
Net result for the year	3 899	4 438
D: Increase in equity capital		
+ Net result of the year	3 899	4 438
÷ Dividends, etc.	792	837
Increase in equity capital, total	3 107	3 601
Balance sheets		
Assets total	1 756 780	2 013 190
A: Investment assets		
Land and buildings	3 210	3 645
Bonds	470 018	515 704
Shares and other capital holdings	443 337	439 242
Loans	64 373	176 819
Other	19 320	15 214
B: Other assets	756 522	862 566
Liabilities, total	1 756 780	2 013 190
Equity capital	58 068	61 121
Provisions	1 491 270	1 656 191
Other liabilities	207 442	295 878

Source: Danish Financial Supervisory Authority
www.statbank.dk/mpk50 and mpk51

Table 317 Accounts of non-life insurance companies

	2013	2014
Number of companies	76	75
Profit and loss account	DKK mio.	
A: Insurance activities		
+Gross premiums written, net of reinsure	52 001	61 932
+Technical interest	139	108
Receipts from insurance activities	52 140	62 040
+Claims incurred, net of reinsurance	36 944	43 410
+Administrative expenses	9 389	10 936
+Other insurance technical items	547	505
Result from insurance activities	5 260	7 189
B: Investment activities		
+Result from investment activities	5 088	6 786
C: Total activities		
Result from primary operation	10 348	13 975
+Other ordinary receipts, net	-876	-546
+Extraordinary receipts, net	867	960
+Taxes	1 490	2 174
Net result for the year	8 849	12 215
D: Increase in equity capital		
Net result for the year	8 849	12 215
+Balancing items	2 424	3 126
+Capital injection	30	30
Increase, total	11 303	15 371
+Dividends, etc.	3 032	4 082
Increase in equity capital, total	8 271	11 289
Balance sheets		
Assets, total	175 386	205 619
A: Investment assets		
Land and buildings	5 001	5 503
Bonds	88 392	109 830
Shares and other capital holdings	51 696	57 778
Loans	425	2 260
Other	803	678
B: Other assets	29 069	29 570
Liabilities, total	175 386	205 619
Equity, total	68 942	80 374
Provisions	89 002	104 153
Other liabilities	17 442	21 092

Source: Danish Financial Supervisory Authority
www.statbank.dk/mpk52 and [mpk53](http://www.statbank.dk/mpk53)

Table 318 Non-life insurance by type

	Premiums		Compensation	
	2013	2014	2013	2014
	DKK mio.			
Total	58 989	67 525	43 833	46 906
Total commercial insurance	15 775	17 027	11 940	11 657
Workmen's compensation	3 068	2 994	1 797	1 275
Buildings	5 320	6 161	5 066	4 719
Contents (other than stock and machinery)	2 932	2 912	2 062	1 793
Professional liability	2 061	2 377	1 601	2 104
Marine and transport	1 260	1 174	705	874
Aviation	3	0	4	-3
Other commercial insurance	1 131	1 407	704	895
Total private insurance	14 874	16 378	11 728	11 835
Householder's comprehensive	4 843	5 407	3 734	4 064
Homeowner's comprehensive	6 487	7 166	5 514	5 247
Weekend cottages	800	912	540	604
Change of ownership insurance	355	295	271	281
Other private insurance	2 389	2 598	1 670	1 638
Total personal accident insurance	9 870	12 390	7 330	8 812
Health insurance	1 275	1 484	921	1 139
Single accident and sickness	8 392	10 756	6 246	7 565
Professional disability	203	150	164	108
Total motor vehicle insurance	16 304	19 310	10 797	13 407
Third-party liability	5 860	6 585	4 494	5 374
Vehicle (own damage)	10 445	12 725	6 302	8 033
Credit and suretyship	372	402	906	78
Touristassistance and Legal aid insurance	1 140	1 151	710	768
Total direct business	58 335	66 658	43 410	46 557
Total indirect business	653	867	423	349

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
www.statbank.dk/mpk54

Table 319 Pension funds

	Intersectoral pension funds		Corporate pension funds	
	2013	2014	2013	2014
Number of members	739 184	757 816	13 584	13 765
Working members	600 039	611 702	3 626	3 293
Retired members	116 882	123 644	7 128	7 832
Retired spouses	14 105	14 595	2 050	1 952
Children who receive children's pension	8 158	7 875	780	688
DKK mio				
Current annual pension, total	8 734	10 379	8 561	...
Pension for members	7 690	9 322	7 494	...
Pension for spouses	882	903	1 053	...
Pension for children	162	154	14	...
Miscellaneous income				
Member contributions	20 820	20 276	300	356
Of which extraordinary contributions	1 413	1 519	35	72
Interest income and profits	12 863	13 043	2 269	1 693
Miscellaneous expenditure¹				
Pensions	13 819	19 297	1 670	1 703
Retirement allowances	1 428	1 450	...	72
Assets, total	585 232	646 091	52 661	59 433
Central government bonds ¹	15 604	18 543	8 330	9 916
Other bonds ¹	2 164	5 792	19 578	11 687
Mortgage credit bonds, etc. ¹	69 468	73 589	11 294	17 622
Cash at bank and in hand	2 120	6 549	866	259
Mortgage credits	9	6	0	1 486
Loans with other collateral	49 534	43 195	0	0
Other assets	446 333	498 417	12 593	18 463
Premium reserves	400 683	433 642	38 972	43 040

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

¹ Book value.

Source: Danish Financial Supervisory Authority

www.statbank.dk/mpk49

Table 320 Denmark's gold and foreign exchange reserve

End of year	2014	2015
	DKK billion	
Danmarks Nationalbanks gold stock	15.7	15.5
Danmarks Nationalbanks foreign assets	425.7	405.5
Claims on the International Valuta Fund	19.5	19.6
Foreign liabilities	-3.3	-3.1
The foreign exchange reserve	457.6	437.5

Source: Danmarks Nationalbank

Table 321 Money stock

	2014	2015
	DKK billion	
Money stock	1 081.8	1 152.8
Notes and coins outside the banking sector	56.5	59.8
Deposit in banks and savings banks	1 025.3	1 093.0
-Demand deposits	884.5	977.6
-Agreement deposits ¹	140.8	115.4

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

Source: Danmarks Nationalbank

Table 322 Consumer credit

End of year	2014	2015
	DKK mio.	
Total	19 842	18 614
Balance on credit and account cards	8 271	7 862
Of which, petrol companies	1 519	1 408
Blank credit	7 659	6 714
Secured credit	3 912	4 037

Source: Each individual financing company
and credit card company
www.statbank.dk/mpk30

Table 323 Danish electronic payment card system

	2008	2012	2013	2014	2015
	thousands				
Number of cards	4 010	4 794	4 921	5 288	5 788
Transaction	796 394	975 377	1 032 171	1 113 270	1 212 417
	DKK mio.				
Turnover	279 897	309 876	318 800	333 581	356 805

Source: NETS
www.statbank.dk/mpk41

Table 324 Exchange rates

	Currency	2014	2015
		DKK	
Pound sterling	GBP	925.11	1 028.24
Bulgarian lev	BGN	381.16	381.36
Lituanian litas	LTL	215.90	...
Norwegian krone	NOK	89.31	83.43
Polish zloty	PLN	178.17	178.27
Swiss franc	CHF	613.78	698.88
Swedish krona	SEK	81.99	79.74
Czech koruna	CZK	27.07	27.35
Hungarian forint	HUF	2.42	2.41
EU common currency	EUR	745.47	745.86
US dollars	USD	561.90	672.69
Australian dollars	AUD	506.81	505.34
Brazilian real	BRL	239.09	204.59
Canadian dollars	CAD	508.83	526.42
Hong Kong dollars	HKD	72.46	86.77
Japanese yen	JPY	5.32	5.56
Chinese yuan renminbi	CNV	91.24	107.04
Singapore dollars	SGD	443.48	489.13
Effective rate of DKK 1980 = 100		103.26	99.20

Note: The rate is the annual average.

Source: Danmarks Nationalbank
www.statbank.dk/DNVALA