

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.

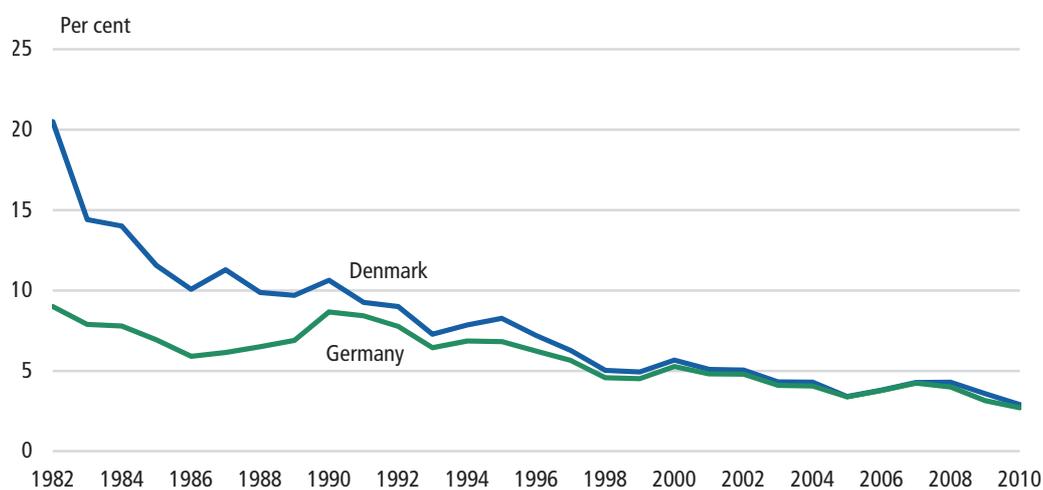
Increased internationalization

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. This difference has diminished until the beginning of the 1990's after which the two interest rates have developed in parallel. In 2010 was the Danish long-term bond interest rate 2.9 per cent while the German long-term bond interest was 2.7 per cent.

Figure 1 Interest rate on 10-year government bonds



www.statbank.dk/dnrenta

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.

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

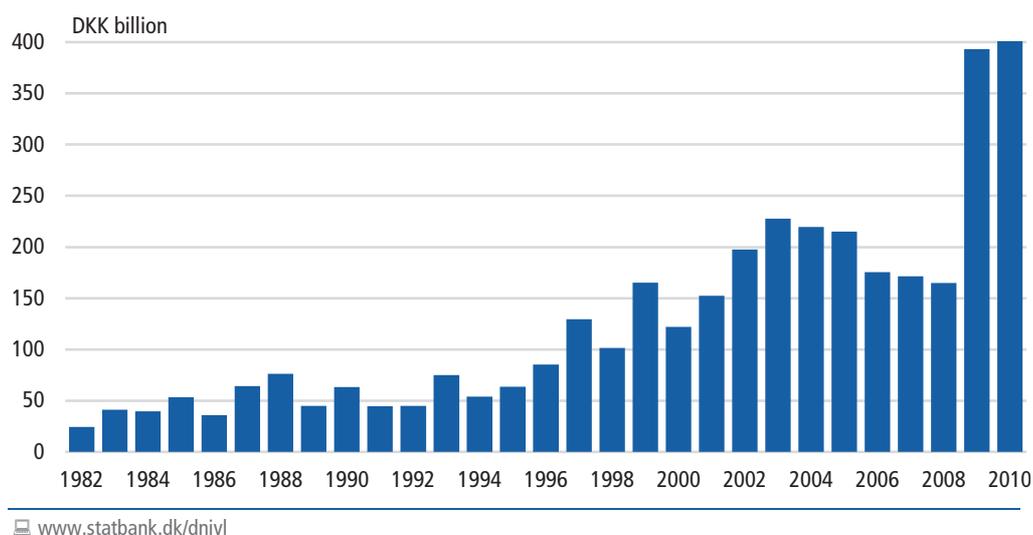
The rate of the Danish krone depends on the supply and demand for foreign currencies. The demand for foreign currency increases at import payments and capital exports (e.g. when Danes purchase foreign securities or make investments abroad).

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 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. In the period 2003 – 2007 the volume of the foreign exchange reserves decreased, but since 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, which has increased the demand for Danish kroner. The Central Bank has in order to stabilise the exchange rate purchased foreign currency.

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

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 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.

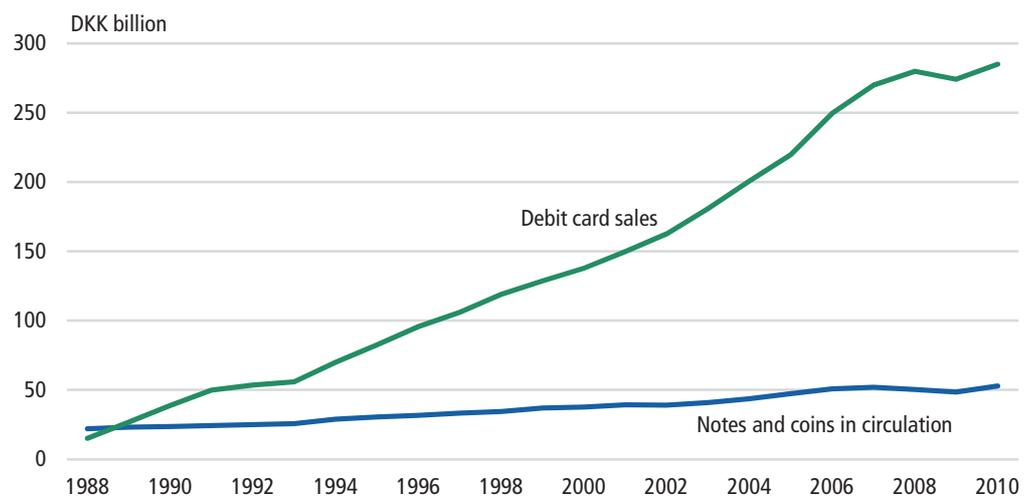
Figure 3 Dankort (debit card) sales and notes and coins in circulation

Table 407 and 412

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

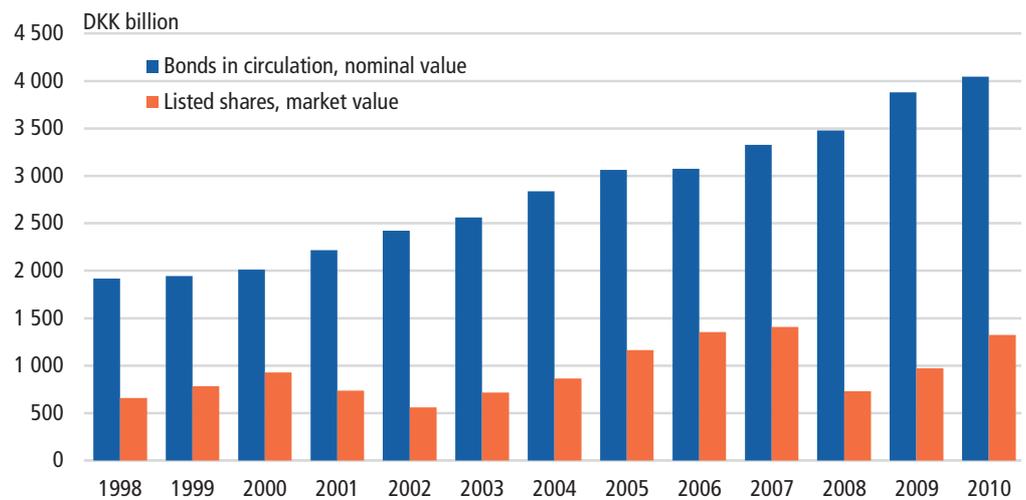
Bonds are liquid, standardized debt instruments with low risk and a fixed repayment profile. Before the introduction of the euro, the Danish bond market was among the largest in Europe¹. The market is dominated by government bonds and mortgage bonds.

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 2010, about 13 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 percent of mortgage bonds were held by foreigners at the end of 2010 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.

Figure 4 Shares and bonds traded on the Copenhagen Stock Exchange

www.statbank.dk/dnvpdkb

Shares are risky investments

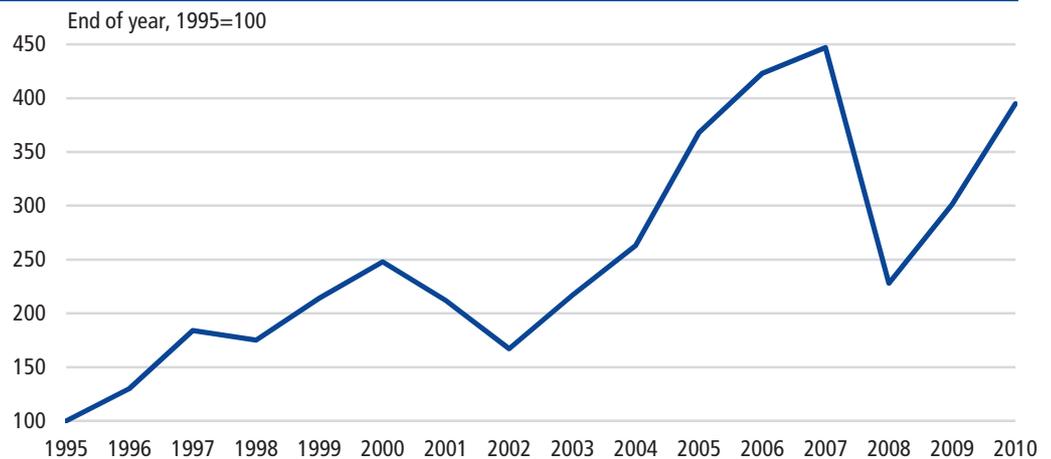
A share is a certificate of ownership of a company. The value of the share depends above all on the future earnings of the company. Since future earnings are connected with great uncertainty, investing in shares may lead to both large losses and large gains.

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 2010, 188 companies were listed on the Stock Exchange.

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 has been a trend of increasing prices reflecting the trends in the international markets. In 1998, 2001, 2002, 2007 and 2008, price decreases were widespread and in line with the share price development in the foreign markets. From 2009 the prices raised again. The sharp decrease in 2008 followed the financial crises which started in oktober 2008. In 2009 and 2010 the stock markets worldwide have recovered some of the losses, which is reflected in the Danish stock market.

Figure 5 OMXC, index of all shares at market value

www.statbank.dk/mpk13

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 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.

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

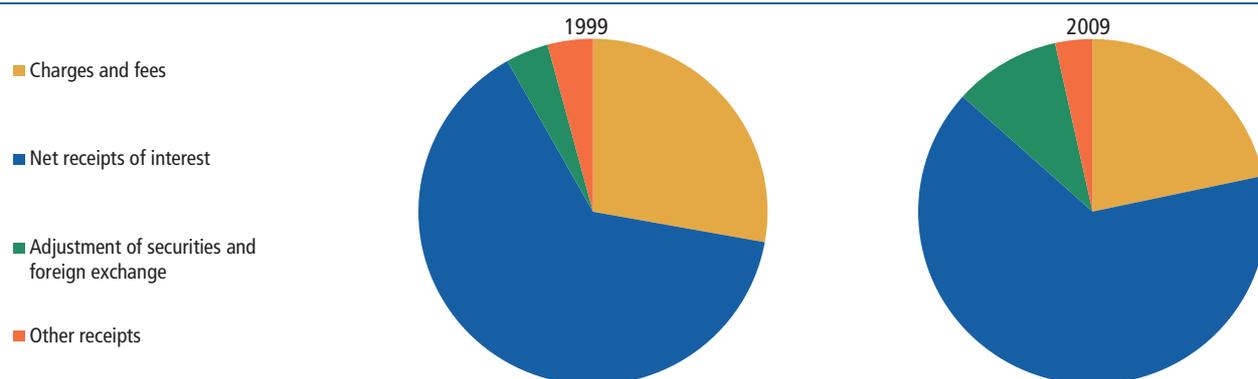
The banking sector handles functions in connection with payment and credit transfers, securities trading and related services. Despite the mergers among the major banks in recent years, a large number of small banks remain.

At the end of 2009, 132 banks were registered, of which the two largest account for 69 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.

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 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 re-mortgaging, 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 568 billion at the end of 2009. In 2008, there were 132 investment associations issuing investment fund shares.

Table 401 Financial sector, main figures

	2008			2009		
	Balance	Companies	Employees	Balance	Companies	Employees
	DKK bn.	number		DKK bn.	number	
Total	10 705	539	69 621	10 614	510	68 387
Banks	4 733	138	47 599	4 324	132	46 124
Mortgage banks	2 819	8	4 126	3 102	8	4 108
The ship Credit fund of Denmark	82	1	60	85	1	59
Securities and broking companies	2	45	492	3	46	524
Investment funds	569	132	359	568	124	373
Non-life insurance companies	153	113	12 173	160	100	12 288
Life insurance companies	1 119	33	3 829	1 212	33	3 872
Non-occupational pension funds	396	28	271	436	26	295
Company pension funds	44	37	36	45	36	38
Labour Market Supplementary Pension	599	1	655	609	1	683
Employees Capital Pension Fund (LD)	97	1	21	60	1	23
Labour market occupational health insurance	9	1	...	6	1	...
Special pension scheme savings	83	1	...	4	1	...

Source: Danish Financial Supervisory Authority

www.statbank.dk/mpk55

Table 402 Denmark's gold and foreign exchange reserve

End of year	2008	2009	2010
	DKK billion		
Danmarks Nationalbanks gold stock	9.8	12.3	16.9
Danmarks Nationalbanks foreign assets	202.8	370.9	397.1
Claims on the International Valuta Fund	3.4	15.7	17.8
The foreign exchange reserve	216.0	398.9	431.8

Source: Danmarks Nationalbank

Table 403 Money stock

	2008	2009	2010
	DKK billion		
Money stock	1 060.0	1 024.0	982.0
Notes and coins outside the banking sector	50.4	48.5	52.8
Deposit in banks and savings banks	1 009.6	975.5	929.2
-Demand deposits	704.8	772.5	771.4
-Agreement deposits ¹	304.8	203.0	157.8

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

Source: Danmarks Nationalbank

Table 404 Profit and loss account and balance sheet of Danmarks Nationalbank

	2008	2009	2010
	DKK mio.		
Profit and loss account			
Net interest receivable	4 915	2 760	3 546
Market value adjustment	2 246	1 751	4 567
Dividend on investments	140	126	129
Other income	26	24	12
Costs including depreciation	-590	-706	-600
Net profit of the year	6 737	3 955	7 654
Balance sheet			
Assets, total	635 094	550 151	486 144
Stock of gold	9 781	12 260	16 938
Special drawing rights in the IMF	3 406	15 683	17 833
Foreign assets	202 777	370 861	397 085
Lending	370 814	107 969	13 374
Securities	27 308	33 093	32 609
Other assets	21 008	10 285	8 305
Liabilities, total	635 094	550 151	486 144
Notes in circulation	55 612	55 015	56 697
Coin in circulation	5 671	5 746	5 844
Allocations of Special Drawing Rights	1 460	12 419	13 253
Foreign liabilities	4 293	4 257	3 134
Deposits	246 702	188 294	147 067
Other liabilities	503	11 509	14 737
The Central Government's current account	262 789	212 435	179 443
Equity capital	58 064	60 476	65 969

Source: Danmarks Nationalbank

www.statbank.dk/mpk38

Table 405	Profit and loss account and balance sheet of Danish banks	
End of year	2008	2009
Number of banks	138	132
Antal ansatte, ultimo året	47 599	46 124
	————— DKK mio. —————	
Profit and loss account		
+Interest income	204 019	145 254
÷Interest expenses	151 218	75 851
Net income from interest, net	52 800	69 403
+Share dividends	903	683
+Charges and commissions income	23 935	23 159
÷Charges and commissions expenses	5 537	5 357
Net income from charges and commissions	72 102	87 888
+Revaluation of securities and foreign exchange	-4 845	10 606
+Other ordinary income	4 040	3 726
Profit/loss on financial items	71 296	102 220
÷Staff and administrative expenses	46 105	47 330
÷Depreciation of tangible and intangible assets	6 644	6 058
÷Other operating expenses	2 052	7 878
÷Depreciations and provisions, net	28 388	58 306
+Adjustments of shares	5 403	1 639
Profit/loss on ordinary activities	-6 490	-15 713
+Extraordinary receipts, net	0	0
Profit/loss before tax	-6 490	-15 713
÷Tax	-325	-120
Profit/loss for the year	-6 165	-15 593
Balance sheets		
Assets, total	4 724 669	4 315 342
Claims on credit institutions, etc.	589 915	615 969
Loans	2 271 201	1 978 356
Bonds, etc.	883 109	1 007 143
Shares, etc.	21 719	24 111
Holdings in associated and affiliated enterprises	119 473	128 461
Intangible assets	24 399	22 506
Tangible assets	19 309	18 294
Other assets	795 544	520 503
Liabilities, total	4 724 669	4 315 342
Liabilities to credit institutions, etc.	1 177 553	852 664
Deposits	1 675 151	1 651 122
Issued bonds, etc.	585 469	676 849
Other liabilities, accruals and deferred income	953 536	756 095
Provisions for liabilities and charges	6 637	15 716
Capital deposits	95 250	121 490
Equity capital	231 073	241 406

Note: Excluding the banks in Greenland.

Source: Danish Financial Supervisory Authority

www.statbank.dk/mpk39

Table 406 Banks' domestic lending and deposits. 2010

	Deposits	Lending ¹
	— mio. kr. —	
Total	1 506 506	1 670 437
Agriculture, forestry and fishing	19 947	58 627
Mining and quarrying	2 443	1 310
Manufacturing	31 723	79 893
Electricity, gas, steam and air conditioning supply	9 227	21 079
Water supply, sewerage and waste management	4 279	2 427
Construction	14 897	27 200
Wholesale and retail trade	38 874	74 137
Transportation and storage	20 217	35 903
Accommodation and food service activities	4 171	9 164
Information and communication	13 159	10 605
Financial and insurance activities	395 013	532 028
Real estate activities	40 726	128 665
Professional, scientific and technical activities	37 656	27 227
Administrative and support activities	8 737	18 268
Public administration and defence	19 189	24 522
Education	7 264	2 515
Human health and social work activities	11 980	6 476
Arts, entertainment and recreation	4 241	4 362
Other service activities	12 935	6 269
Activities of households as employers	249	194
Activities of extraterritorial organisations and bodies	43	72
Households	780 268	570 721
Activity not stated	29 268	28 773

¹ Outstanding at the end of year.

Source: Danmarks Nationalbank

New figures is scheduled to be released in February 2012

Table 407 Long-term savings schemes with deposit accounts of Danish banks

End of year	2008	2009	Percentage change in relation to previous year
	————— DKK mio. —————		per cent
Specific deposit accounts, total	180 811	201 988	11.7
Index-linked pension savings	10 923	10 029	-8.2
Capital-pension accounts	78 802	85 719	8.8
Savings accounts for children	11 705	12 550	7.2
Private pension schemes	3 350	3 293	-1.7
Investment-fund accounts	13	11	-15.4
Business establishment savings	849	817	-3.8
Home-savings contracts	459	430	-6.3
Instalment-pension accounts	68 014	82 277	21.0
Savings accounts for education	247	189	-23.5
Premium lottery accounts	6 409	6 632	3.5
Market fluctuation adjustment accounts	41	41	0.0

Source: Danish Financial Supervisory Authority

www.statbank.dk/mpk43

Table 408 Danish electronic payment card system

	1994	1999	2004	2009	2010
	————— thousands —————				
Number of cards	2 552	2 794	3 355	4 184	4 374
Transaction	181 456	361 605	579 147	828 237	872 284
	————— DKK mio. —————				
Turnover	58 666	123 383	195 323	274 053	285 051

Source: NETS

www.statbank.dk/mpk41

Table 409	Mortgage banks	
	2008	2009
Number of institutions	8	8
	----- DKK mio. -----	
Profit and loss account		
+Interest income	127 588	129 514
÷Interest xpenses	112 199	110 931
Net income from interest	15 389	18 583
+Charges and commissions receivable	-1 162	-1 209
Net income from charges and commissions	14 227	17 374
÷Expenditure of the personnel administration and other operating expenses	4 999	5 256
÷Depreciation and provisions on loans	1 854	5 231
+Adjustment of capital interest	-5 498	4
+Other ordinary receipts	147	132
Profit/loss on ordinary activities	2 023	7 023
+Extraordinary receipts (net)
÷Tax	1 218	2 153
Profit/loss for the year	805	4 870
Balance sheets		
Assets, total	2 819 007	3 101 744
Claims on credit institutions, etc.	439 044	544 308
Loans	2 171 767	2 325 194
Bonds and shares, etc.	154 070	171 659
Holdings in associated and affiliated enterprices	25 162	28 496
Intangible assets	5 297	4 917
Tangible assets	802	775
Other assets	22 865	26 395
Liabilities, total	2 819 007	3 101 744
Liabilities to credit institutions	477 632	612 182
Issued bonds, etc.	2 106 571	2 245 750
Other liabilities, accruals and deferred income	84 887	76 777
Provisions for liabilities and charges	1 581	1 574
Capital deposits	14 922	26 646
Equity capital	133 414	138 815

Source: Danish Financial Supervisory Authority

www.statbank.dk/mpk47 and mpk48

Table 410	Lending activity of mortgage banks	DKK mio.		
		2008	2009	2010
	Loans incl. index-linked loans, total	162 080	121 426	67 224
	Owner-occupied dwellings and holiday homes	64 436	62 133	40 898
	Rental housing	20 380	8 035	5 781
	Business properties	75 890	49 466	17 123
	Other properties	1 374	1 792	3 422

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 411	Major finance companies, factoring and other loans	Total activities		Status	
		2008	2009	Ult. 2008	Ult. 2009
		DKK mio.			
	Factoring	38 004	38 092	4 433	3 963
	Other loans	13 604	9 919	36 316	34 524

Source: Individual finance company

www.statbank.dk/mpk57

Table 412	Major finance companies, leasing	DKK mio.	
		2008	2009
	Activities in the year		
	Total	22 420	15 923
	Industrial equipment	3 439	2 072
	Edp and office equipment	2 747	2 186
	Lorries and vans	8 206	5 302
	Passengercars	2 514	1 777
	Vessels, aircraft, railway material	180	135
	Buildings	557	259
	Other	4 777	4 192
	Status at end of year	56 911	50 738

Source: Individual finance company

www.statbank.dk/mpk31

End of year	2008	2009	2010
	DKK mio.		
Total	21 060	19 453	18 819
Balance on credit and account cards	7 190	6 884	6 999
Of which, petrol companies	1 237	1 265	1 035
Blank credit	11 051	9 813	8 996
Secured credit	2 819	2 756	2 824

Source: Each individual financing company and credit card company

www.statbank.dk/mpk30

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	557 804	3 172 063	317 230	4 047 097
Non-financial corporations	6 477	129 566	9 696	145 739
Financial corporations	56 058	1 973 531	134 026	2 163 615
Monetary financial institutions	7 877	1 606 272	76 770	1 690 919
Other financial institutions	48 182	367 259	57 256	472 697
Insurance and pension funds corporations	267 818	495 578	40 698	804 094
General government	75 601	81 128	56 329	213 058
Central government	74 197	53 425	48 834	176 456
Local government	1 359	26 650	7 287	35 296
Social security funds	45	1 053	208	1 306
Households	2 992	83 645	36 348	122 985
Non-profit institutions serving households	2 806	26 241	965	30 012
Sector unknown	1 706	23 796	3 600	29 102
Abroad	144 345	358 578	35 568	538 491

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 415 Owners of quoted shares and unit trust certificates by holder sector. 2010

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	441.6	167.1	486.9	975.8	45.7	2 119.1
Non-financial corporations	78.5	31.8	211.3	80.6	2.0	405.1
Financial corporations	23.1	15.1	34.0	117.0	15.2	205.3
Insurance and pension funds corporations	14.6	11.9	18.1	322.8	1.9	369.3
General government	0.2	0.4	5.7	15.3	0.9	22.5
Non-profit institutions serving households	57.5	23.9	61.7	329.7	15.0	487.8
Households ²	5.2	1.5	3.7	17.1	0.9	28.4
Abroad	2.1	1.7	4.9	19.4	0.5	28.5
Sector unknown	260.4	80.9	147.5	74.0	9.3	572.2

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/dnvpks

Table 416 Share index

OMXC-index	2008	2009	2010
End of the year	end of 1995 =100		
Total	228	301	395
Energy	74	61	51
Materials	257	328	453
Manufacturing	259	330	385
Discretionary	79	120	143
Consumer goods	76	148	216
Health Care	515	611	1 032
Finance	188	292	319
ICT	211	284	318
Telecommunication	151	158	157
Utilities	552	497	307

Source: Copenhagen Stock Exchange

www.statbank.dk/mpk13

Table 417		Yield on bonds		
		2008	2009	2010
		————— per cent p.a. —————		
Yield				
Government bonds:				
5 year:	End of year	3.25	3.07	2.04
	Annual average	4.14	3.05	2.16
10 year:	End of year	3.31	3.62	2.98
	Annual average	4.29	3.59	2.91
Mortgage credit bonds:				
20 year:	End of year	5.35	4.62	4.39
	Annual average	5.68	5.08	4.18
30 year:	End of year	6.21	5.19	4.53
	Annual average	6.09	5.53	4.67

Source: Danmarks Nationalbank

Table 418 Pension funds

	Intersectoral pension funds		Corporate pension funds	
	2008	2009	2008	2009
Number of members	698 005	685 051	17 945	17 988
Working members	590 181	572 742	6 794	6 441
Retired members	86 471	90 420	7 905	8 177
Retired spouses	12 920	13 365	2 406	2 441
Children who receive children's pension	8 433	8 524	840	929
	DKK mio			
Current annual pension, total	13 995	8 314	3 726	4 176
Pension for members	12 867	7 126	3 167	3 235
Pension for spouses	928	983	543	924
Pension for children	200	205	16	17
Miscellaneous income				
Member contributions	17 613	17 805	2 160	850
Of which extraordinary contributions	-	-	1 670	380
Interest income and profits	13 317	8 992	1 421	1 413
Miscellaneous expenditure¹				
Pensions	10 441	11 115	2 603	1 874
Retirement allowances	860	614	122	...
Assets, total	395 954	435 996	42 714	45 328
Central government bonds ¹	8 776	25 079	1 581	5 114
Other bonds ¹	2 292	1 333	...	11 493
Mortgage credit bonds, etc. ¹	93 993	85 895	21 874	14 270
Cash at bank and in hand	9 638	7 863	677	925
Mortgage credits	48	37	42	8
Loans with other collateral	17 441	7 530	1 642	1 122
Other assets	263 766	308 259	16 898	12 396
Premium reserves	312 324	332 541	36 028	36 458

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 419 Discount rate of Danmarks Nationalbank

Discount rate		Discount rate		Discount rate	
per cent					
1994		1999		2006	
6. January	6.00	4. February	3.25	3. March	2.50
19. January	5.75	9. April	2.75	9. Juni	2.75
18. February	5.50	5. November	3.00	4. August	3.00
15. April	5.25	2000		6. Oktober	3.25
13. May	5.00	4. February	3.25	8. December	3.50
1995		17. March	3.50	2007	
8. March	6.00	28. April	3.75	9. Marts	3.75
6. July	5.75	9. June	4.25	7. Juni	4.00
3. August	5.50	1. September	4.50	2008	
25. August	5.00	6. October	4.75	4. Juli	4.25
9. November	4.75	2001		8. Oktober	4.50
15. December	4.25	14. May	4.50	7. November	4.00
1996		31. August	4.25	5. December	3.50
25. January	4.00	18. September	3.75	2009	
7. March	3.75	9. November	3.25	16. Januar	2.75
19. April	3.25	2002		6. March	2.00
1997		6. December	2.75	3. April	1.75
10. October	3.50	2003		11. maj	1.40
1998		7. March	2.50	8. juni	1.20
6. May	4.00	6. June	2.00	14. august	1.10
29. May	3.75	2005		28. august	1.00
21. September	4.25	2. December	2.25	2010	
5. November	4.00			15. januar	0.75
4. December	3.50				

Source: Danmarks Nationalbank

www.statbank.dk/disk

Table 420 Exchange rates

	Currency	2008	2009	2010
		DKK		
Pound sterling	GBP	939.73	836.26	869.02
Bulgarian lev	BGN	381.22	380.73	380.78
Estonian kroon	EEK	47.65	47.59	47.60
Latvian lats	LVL	1 061.08	1 055.30	1 050.80
Lithuanian litas	LTL	215.94	215.66	215.69
Norwegian krona	NOK	91.02	85.39	93.02
Polish zloty	PLN	213.21	172.43	186.47
Swiss franc	CHF	469.90	493.17	540.60
Swedish krona	SEK	77.73	70.18	78.15
Czech koruna	CZK	29.93	28.21	29.47
Hungarian forint	HUF	2.97	2.66	2.70
EU common currency	EUR	745.60	744.63	744.74
US dollars	USD	509.86	535.51	562.57
Australian dollars	AUD	430.79	421.96	516.96
Brazilian real	BRL	281.10	270.02	319.87
Canadian dollars	CAD	479.15	469.81	546.08
Hong Kong dollars	HKD	65.49	69.09	72.41
Japanese yen	JPY	4.95	5.73	6.43
Chinese yuan renminbi	CNV	73.44	78.39	83.12
Singapore dollars	SGD	359.70	368.09	413.16
Effective rate of DKK 1980 = 100		105.81	107.79	103.97

Note: The rate is the annual average.

Source: Danmarks Nationalbank

www.statistikbanken.dk/DNVALA

Table 421 Life assurance companies

	2008	2009
Number of companies	33	33
Profit and loss account	————— DKK mio. —————	
A: Insurance activities		
+Premiums net of reinsurance	90 476	85 125
+Allocated investment return transferred from the technical account	-28 713	73 378
Receipts from insurance activities	61 763	158 502
÷Claims incurred, net of reinsurance	57 007	56 427
÷Change in life assurance provisions	3 626	97 219
÷Administrative expenses	4 697	4 490
÷Change in bonus equalization provisions	-698	-1 200
+Result from sickness and accident insurance	976	291
Result from insurance activities	-1 893	1 857
B: Investment activities		
+Result from investment activities	-33 978	85 076
÷Tax on pensions yield	5 266	-11 698
÷Allocated investment return transferred to the technical account	-39 073	98 062
÷Yield on investments carried forward to sickness and accident insurance	63	-4 982
Result from investment activities	-234	3 694
C: Total activities		
+Result from primary operation	-2 127	5 551
+Other ordinary receipts, net	270	241
+Extraordinary receipts, net	0	581
÷Taxes	-518	1 585
Net result for the year	-1 339	4 788
D: Increase in equity capital		
+Net result of the year	-1 339	4 788
÷Dividends, etc.	13	78
Increase in equity capital, total	-1 352	4 710
Of which allocated to contingency reserve
Balance sheets		
Assets total	1 119 221	1 211 964
A: Investment assets		
Land and buildings	7 716	5 596
Bonds	646 380	665 386
Shares and other capital holdings	209 436	198 301
Loans	48 475	21 898
Other	28 658	26 281
B: Other assets	178 556	294 502
Liabilities, total	1 119 221	1 211 964
Equity capital	57 524	59 699
Provisions	959 483	1 061 053
Other liabilities	102 214	91 212

Source: Danish Financial Supervisory Authority

www.statbank.dk/mpk50 and mpk51

Table 422 Accounts of non-life insurance companies

	2008	2009
Number of companies	113	100
Profit and loss account	DKK mio.	
A: Insurance activities		
+Gross premiums written, net of reinsurese	50 570	50 595
+Technical interest	1 564	615
Receipts from insurance activities	52 134	51 210
÷Claims incurred, net of reinsurance	36 872	38 198
÷Administrative expenses	9 120	8 871
÷Other insurance technical items	705	721
Result from insurance activities	5 437	3 420
B: Investment activities		
+Result from investment activities	-2 268	10 671
C: Total activities		
Result from primary operation	3 169	14 091
+Other ordinary receipts, net	-3 893	-3 018
+Extraordinary receipts, net	851	761
÷Taxes	872	1 476
Net result for the year	-744	10 358
D: Increase in equity capital		
Net result for the year	1 749	10 358
+Balancing items	-904	3 914
+Capital injection	-1	55
Increase, total	844	14 327
÷Dividends, etc.	-1 058	4 532
Increase in equity capital, total	1 902	9 795
Of which allocation to contingency reserve
Balance sheets		
Assets, total	154 499	161 606
A: Investment assets		
Land and buildings	5 434	5 478
Bonds	84 041	82 909
Shares and other capital holdings	38 879	45 808
Loans	487	222
Other	4 978	5 461
B: Other assets	20 680	21 728
Liabilities, total	154 499	161 606
Equity, total	60 707	66 907
Provisions	78 827	81 576
Other liabilities	14 965	13 123

Source: Danish Financial Supervisory Authority

www.statbank.dk/mpk52 and mpk53

Table 423 Non-life insurance by type

	Premiums		Compensation	
	2008	2009	2008	2009
	DKK mio.			
Total	53 797	54 199	37 672	39 984
Total commercial insurance	17 331	16 837	10 966	11 696
Workmen's compensation	4 887	4 368	3 100	2 874
Buildings	4 730	4 906	3 114	3 931
Contents (other than stock and machinery)	3 377	3 335	2 253	2 325
Professional liability	1 773	1 725	899	1 011
Marine and transport	1 722	1 711	1 086	1 085
Aviation	1	5	0	3
Other commercial insurance	841	787	513	466
Total private insurance	10 790	11 895	9 048	10 679
Householder's comprehensive	3 750	3 966	3 093	3 726
Homeowner's comprehensive	4 961	5 099	4 330	4 442
Weekend cottages	644	670	492	513
Change of ownership insurance	392	376	481	562
Other private insurance	1 043	1 784	652	1 437
Total personal accident insurance	9 466	9 084	7 169	6 415
Health insurance	737	891	773	718
Single accident and sickness	7 640	7 786	5 616	5 479
Professional disability	1 089	408	780	218
Total motor vehicle insurance	15 014	14 997	9 736	10 297
Third-party liability	6 285	6 117	3 853	4 168
Vehicle (own damage)	8 729	8 880	5 883	6 129
Credit and suretyship	210	227	31	41
Touristassistance and Legal aid insurance	417	579	307	486
Total direct business	53 229	53 620	37 256	39 614
Total indirect business	569	579	415	370

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