

DANMARKS NATIONALBANK

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PORTFOLIO INVESTMENTS, OCTOBER 2017

The pension sector holds a stable share in foreign portfolio investments

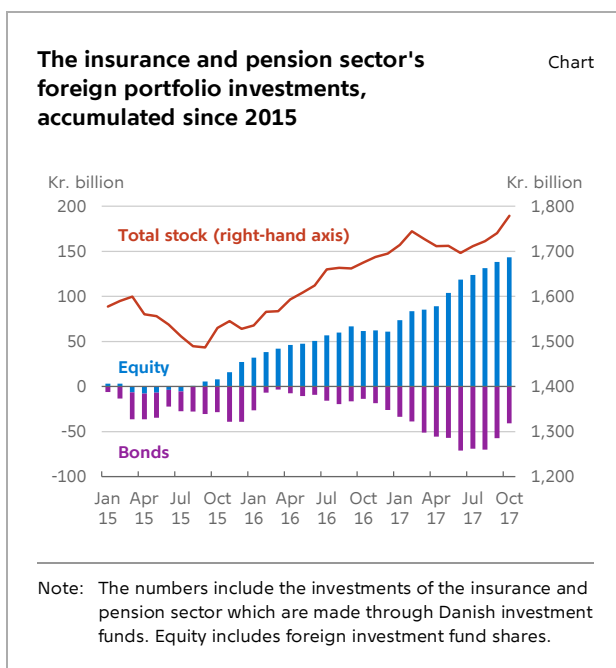
The Danish insurance and pension sector has placed kr. 1,779 billion in foreign portfolio investments by the end of October 2017. Since January 2015 the sector has purchased foreign equity and investment fund shares for kr. 143 billion and sold foreign bonds for kr. 41 billion.

The sector's purchase of securities reflects, among other things, a need to place money from the net pension payments. Based on data reported by the largest insurance corporations and pension funds to

Danmarks Nationalbank, the sector has collectively purchased Danish and foreign securities for approximately kr. 200 billion since January 2015. The purchases have been made directly by the companies and as investments in their capital and investment funds. The largest companies' total stock of securities amount to approximately kr. 3,550 billion by the end of October 2017.

Thus foreign portfolio investments account for approximately half of the sector's total holdings of securities. The share has been relatively stable in recent years.

The vast majority of the sector's total stock of foreign portfolio investments is placed in Europe, the USA and other OECD countries. By end-October foreign portfolio investments amounting to approximately kr. 98 billion were placed in so-called offshore centres. The term offshore centres follows the definition of The European Central Bank and covers countries which, among other things, are characterised by a substantial pass-through of international investments. The definition comprises the Cayman Islands, Bermuda, Guernsey, Jersey, Hong Kong and Singapore among other countries. The insurance and pension sector has placed foreign portfolio investments for a total of kr. 14 billion in Hong Kong and Singapore.



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