

# DANMARKS NATIONALBANK

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FINANCIAL ACCOUNTS, 3RD QUARTER 2019

## The Danes' net wealth 6th largest in the EU

Danish households' net financial wealth – the difference between their financial assets (e.g. pension and deposits) and liabilities (debt) – was kr. 4,101 billion at the end of the second quarter of 2019. The net wealth corresponds to 177 per cent of the Danish gross domestic product, GDP. This ranks Danish households sixth only surpassed by households in the UK, the Netherlands, Belgium, Sweden and Italy.

### The Danes' liabilities top the list

It is no secret that Danish households' liabilities relative to GDP are the largest in the EU. The vast majority of Danish households' liabilities is bank and mortgage debt with collateral primarily in real estate

(approximately 90 per cent). The Danes' debt is thus to a large extent matched by the value of the associated assets – housing wealth.

### However, the Danes' financial assets are even larger

The EU countries where households have large liabilities also tend to be the countries where households have large financial assets measured relative to GDP. Danish households are no exception – their financial assets amount to as much as 305 per cent of GDP which is the third largest in the EU. In all EU countries, households have overall positive net wealth, i.e. their total financial assets exceed the total liabilities.

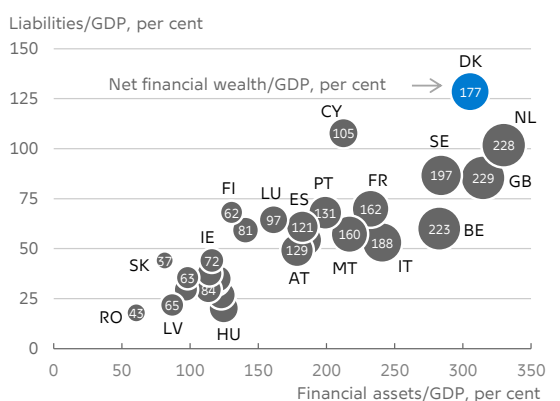
### Significant differences, especially in pension wealth

For Danish households, pension wealth makes up more than half of their financial assets, surpassed only by the UK and the Netherlands. For the EU countries as a whole, pension typically amounts to less than one fifth. On the other hand, household deposits and own securities holdings are typically more dominant. Although the pension wealth accounts for the majority of Danish households assets, their financial assets excl. pensions are still in the EU's top 10, whereas, for example, Dutch households drop from a 2nd to a 19th place.

### The Danes' wealth rose further in the third quarter

In the third quarter of 2019, the Danes' financial assets increased by kr. 109 billion and liabilities is reduced by kr. 14 billion. Thus, Danish households' net financial wealth rose by kr. 123 billion.

### Household net financial wealth is positive in all EU countries



Note: When comparing across countries, it should be noted that there may be differences in taxation of financial assets. Pension wealth is calculated before tax.

Source: The European Central Bank, Financial Accounts, 2nd quarter 2019.

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