

# DANMARKS NATIONALBANK

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FINANCIAL ACCOUNTS, 2ND QUARTER 2018

## Savings-eager Danes

The financial net worth of Danish households – the difference between their financial assets and debt – increased by kr. 46 billion in the 1st half of 2018. This corresponds to an increase of kr. 17,000 for the average household, which now has a financial net worth of approximately kr. 1.42 million.

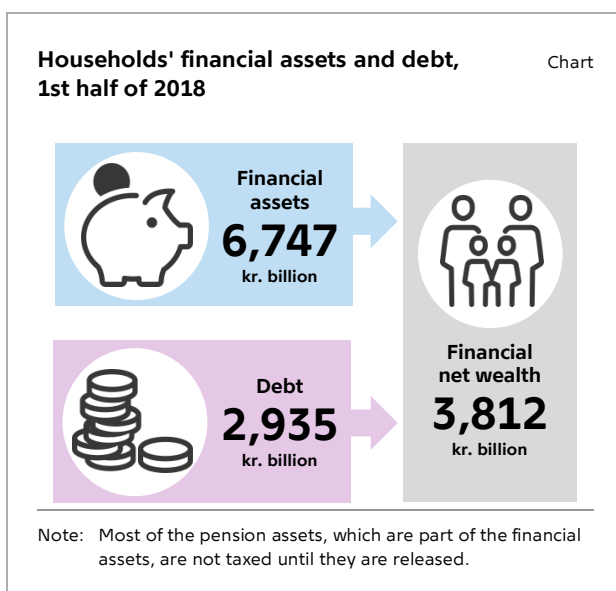
The increase in the net worth is due to the fact that Danish households in the 1st half of the year had a savings surplus of kr. 45 billion. Income exceeded consumption and real investments. The financial assets increased more than the debt. The increase in the financial assets has taken place in the form of investments in securities and in particular in the form of increased deposits in banks and net payments on pension schemes.

As an exception price developments in the financial market have had a very limited impact on Danes'

financial assets of just kr. 1 billion. The largest part of the financial assets is either directly or indirectly linked to shares and bonds in the form of own investments, or through mutual funds and pension savings. Price developments in the financial markets are therefore crucial for the development of Danes' financial assets. The change in the 1st half of the year covers, first, a major price decline in the 1st quarter and then a correspondingly high price increase in the 2nd quarter.

There is a considerable diversification in the size of households' financial assets and debt. Therefore, there is a big difference as to how price changes in the financial markets affect Danish households. Households with the highest income thus account for a large part of total assets and debt. In particular, pension assets are age-dependent.

The households' financial flexibility has thus grown in the 1st half of the year. A flexibility that can potentially be used to increase consumption and/or make real investments in housing. Danish households are generally reluctant to increase consumption despite rising income and wealth.



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