

# DANMARKS NATIONALBANK

31 MARCH 2020

## FINANCIAL ACCOUNTS, 4TH QUARTER 2019

# Households' financial net wealth grew in 2019

The net financial wealth of Danish households increased by kr. 721 billion in 2019. The total net financial wealth was kr. 4,312 billion by the end of 2019, which corresponds to 1.58 million per household. The net financial wealth of households has increased significantly since the financial crisis in 2009, and the households have built up a financial buffer against downturns. There exists a significant degree of diversification between the sizes of the net financial wealth amongst the Danish households. This diversification implies that the effect of the price movements on the financial markets differs between households.

### Securities account for most of the financial wealth

The net financial wealth of households is the difference between the households' financial assets and their debt. Most of the assets are stocks or bonds which the households own or invest in via a pension

or investment fund. The households' debt consists of mainly mortgage loans, which is priced by the market value of the underlying bonds. Thus, the development in the prices of the financial markets is crucial for the value of the net financial wealth of Danish households.

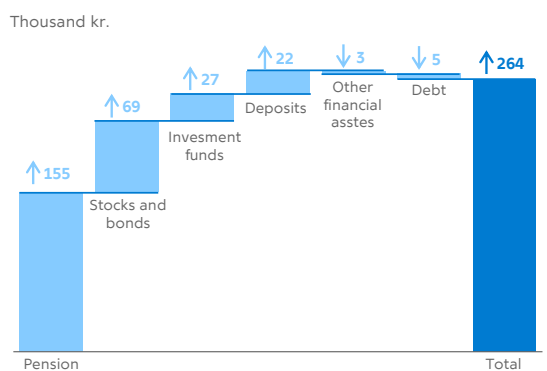
### Capital gains increased the pension wealth

Pensions account for a significant part of the households' net financial wealth. The average increase in pension wealth was kr. 155,000 per household in 2019. The increase in pension wealth was mainly due to capital gains. The majority of pension wealth is taxed by the time it is paid out. Therefore, the amount paid out to the households is smaller. Furthermore, the size of the pension wealth is closely linked to the age of the holder of the pension scheme.

### Own investments and increased deposits

The households' investments in stocks and bonds increased with an average of kr. 69,000 in 2019, and their investments in investment funds increased by kr. 27,000. The households increased their bank deposits by an average of kr. 22,000, decreased their other financial assets by kr. 3,000 and increased their debt by kr. 5,000.

### Average change in the net financial wealth of Danish households in 2019.



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This release addresses the latest figures in the statistics for 'Financial accounts' which are from the end of 4<sup>th</sup> quarter 2019. Since then, extraordinary big changes in the economy have occurred due to covid-19. At the end of June, Danmarks Nationalbank will update this statistic with the figures for the 1<sup>st</sup> quarter of 2020