

# DANMARKS NATIONALBANK

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## FINANCIAL ACCOUNTS, 3RD QUARTER 2020

# Danes' wealth is greater than before the corona

The Danish households' financial net wealth increased by kr. 362 billion in the third quarter and thereby reached kr. 5657 billion in total. The rapid recovery of wealth thus continued and now more than offset the historically large decline at the beginning of the year with a net increase of kr. 168 billion.

### Rising stock markets are driving the comeback

The majority of Danes' financial assets are linked to shares or bonds, either directly through their own investments in securities or indirectly through mutual fund certificates or pension savings. Developments in the financial markets are therefore of crucial importance for the value of households' assets and thus also their net wealth.

In the third quarter, market developments led to an increase in pension wealth of kr. 87 billion, while the value of shares and mutual fund certificates increased by kr. 338 billion.

### The increase looks set to continue in Q4

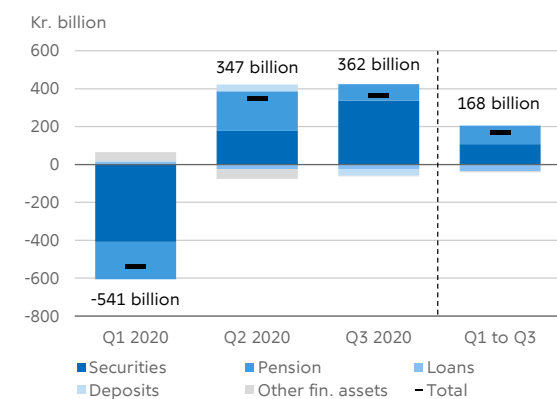
The upward trend in the financial markets continued into the fourth quarter despite rising infection rates and the introduction of new restrictions. At the same time, the possibility of withdrawing frozen holiday pay has led to kr. 52 billion before taxes being paid out since October, which helped raise bank deposits over 1 trillion. Both of these factors point towards another increase in the Danes' financial wealth in the fourth quarter.

### Wealth and debt vary across households

The average financial net wealth of a Danish household is kr. 2.07 million. However, the typical household has less wealth than this average, while a smaller proportion possesses larger wealth. For example, the size of Danes' pension savings varies greatly depending on age and income level etc. Thus, the 10 per cent of Danes with the largest pension savings own 43 per cent of the total pension wealth. By comparison, the 50 per cent of Danes with the smallest savings own just 8 per cent of the total pension wealth ([link](#)).

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### The rebound continues for Danish households' financial net wealth



Note: The chart shows the total change in financial net wealth defined as the market value of financial assets minus debt.