DANMARKS NATIONALBANK

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INSURANCE AND PENSION, 4TH QUARTER 2021

Pension assets grew by kr. 1.000 billion in three years

The Danes' pension assets reached kr. 4,460 billion in 2021. By the end of 2021, the assets had grown by kr. 1,011 billion over a three-year period, and the increase was mainly due to sizeable pension returns but also large pension contributions.

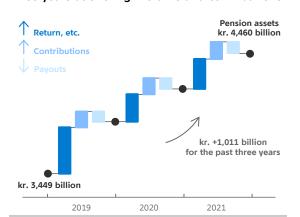
The first two months of 2021 were marked by a fall in the price of financial markets, which meant that pension assets suffered losses.

Three years with significant pension returns

The pension returns totalling kr. 874 billion over three years were mainly due to large price gains on the stock markets. Over the three-year period as a whole, there were also price gains on bonds and interest rate derivatives such as interest rate swaps.

In 2021, however, rising interest rates meant capital losses on bonds and interest rate derivatives. The total return was kr. 252 billion in 2021, which was mainly due to large gains in global stock markets, where especially the North American stocks contributed a lot.

Pension assets grew by kr. 1,011 billion over three years due to high returns and contributions



Note: The pension assets are calculated here as the pension companies' provisions for future pension obligations. The pension contributions include current contributions and contributions to life insurance and pension companies.

Transfers of savings between companies are not included in the statement. Payouts are stated before tax. Return, etc. covers value adjustments, including returns on investments and accruals. Find chart data here (link).

Record-high pension contributions

Pension contributions have been steadily increasing and amounted to kr. 414 billion in the 2019-2021 period. In 2021 alone, contributions amounted to a record kr. 144 billion. At the same time, the payouts have been lower than the pension contributions, resulting in positive net contributions which have continuously increased pension assets.

More than half of the contributions have gone to market rate products, while three quarters of the payouts have gone to people with average rate products. There is a general tendency for market rate products to replace average rate products.

Also pension savings outside the pension sector

The Danes also have pensions in their own bank deposits. Overall, the Danish pension wealth amounts to approx. two times GDP, which is high compared to other countries.

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