

# DANMARKS NATIONALBANK

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SECURITIES, JULY 2018

## Corporate bonds target foreign investors

In July 2018, Danish non-financial corporations had issued bonds for kr. 197 billion. Bonds issued in foreign currency amounted to 95 per cent and bonds issued in Danish kroner to 5 per cent. Compared to the total outstanding amount, bonds issued in euro have increased through the last decade. In July 2018, 65 per cent of the total amount was issued in euro compared to 50 per cent in July 2008.

By issuing bonds in foreign currency the non-financial corporations expand the opportunities of reaching a larger group of international investors. In July 2018, international investors owned 94 per cent of the outstanding amount of Danish non-financial bonds.

Issuing bonds is a source of financing for the non-financial corporations. When the corporations issue bonds it requires a certain size and that the investors have knowledge of the corporations. Hence, it is mainly large corporations that issue bonds on the international capital markets.

Ørsted, A.P. Møller - Mærsk, Carlsberg Breweries, ISS Global and TDC are among the corporations which issue bonds in foreign currencies. The bonds issued by the five corporations amount to 74 per cent of the total outstanding amount of Danish non-financial bonds.

Danmarks Nationalbank's statistics, Financial Accounts, show figures for the total debt financing for Danish non-financial corporations. The share of financing through bond issuance is slightly below 10 per cent and the level has been stable the last decade. Another source of financing is through loans from the monetary financial institutions. These loans amount to just below than 45 per cent of the aggregated financing through debt and have decreased the last decade. In addition, the non-financial corporations have increased their financing through other financial companies as well as sector and intragroup loans.

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