

DANMARKS NATIONALBANK
Monetary Review – February 1993

Explanation of Symbols

- Magnitude nil
- 0 Less than one half of unit employed
- Category not applicable
- ... Data not available
- * Provisional or estimated figures
- ____ Break in series

In tables including the banks the figures do not include Faroese and Greenland banks, but branches in Denmark of foreign banks are included.

With the exception of tables which are based on Denmark's National bank's balance sheets, the figures for the banks are based on reports from all banks and major savings banks—as from 1988 savings banks with a balance (deposits and capital) exceeding kr.100 million.

With effect from June 1, 1991 the National Post Giro has been restructured as a commercial bank under the name of GiroBank. At the end of the 2nd quarter GiroBank was not fully subject to the banks' reporting obligation. It is therefore included in the tables under "The banks" as from July 1991, unless otherwise stated in the individual tables.

Details may not add because of rounding-off.

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Recent Trends in External Finance and Domestic Credit

This review covers the period from November 1992 to the beginning of February 1993.

Foreign-exchange markets

From a historic low at the beginning of September, when it was quoted at 1.39 DEM/USD, the dollar rose by towards 20 per cent against the D-mark up to mid-February. This was the consequence of such factors as a narrowing of the interest-rate differential vis-à-vis the D-mark and signs of an upswing in the US economy.

In the same period the dollar fluctuated against the yen in the range 120-125 JPY/USD. The yen has thus also strengthened against the European currencies.

The European Monetary System (EMS)

As described in further detail in the Monetary Review—November 1992, the exchange-rate crisis of last autumn came to a head on September 17, when the UK and Italy suspended their ERM participation. The pound sterling and the lira fell to a level 13-17 per cent below the central rate against the D-mark prior to September 1, 1992, cf. Figure 1.

During October and up to mid-November the foreign-exchange markets stabilized to some degree, currencies in the ERM band moving closer to the middle in connection with the reflow of foreign exchange. Most countries lowered their interest rates, France and Denmark bringing their benchmark rates down to around the level prior to the Danish Maastricht Treaty referendum on June 2. However, the interest-rate differential vis-à-vis the German inter-bank market was still higher than before June 2, but level with that immediately prior to the September crisis, cf. Figure 2.

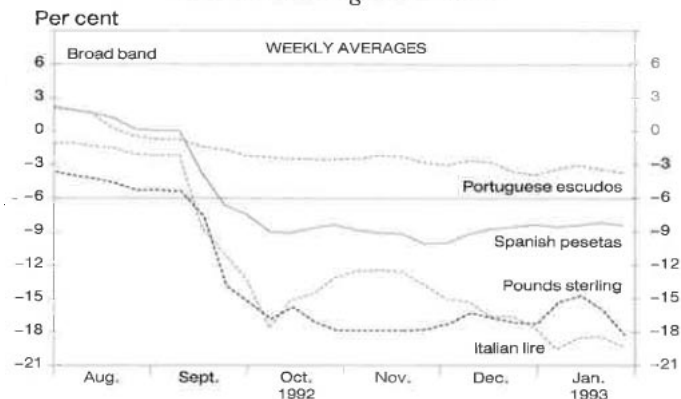
Some stability returned to the markets, but without the restoration of full confidence in the remaining exchange-rate parities.

In mid-November, the Swedish krona thus came under strong pressure, cf. below, with renewed unrest in the ERM after the Swedish decision on November 19 to let the Swedish krona float.

The narrow band filled out again, with the D-mark, the Dutch guilder and the Belgian franc at the top, and there was intervention to support the other ERM currencies concurrently with a new upward adjustment of interest rates, cf. Figure 2. The National-bank thus raised the rate of interest for certificates of deposit by 5 per cent to 15 per cent.

The foreign-exchange situation was discussed at a specially-convened meeting of the EEC Monetary Committee during the weekend of November 21-22, and it was decided to de-

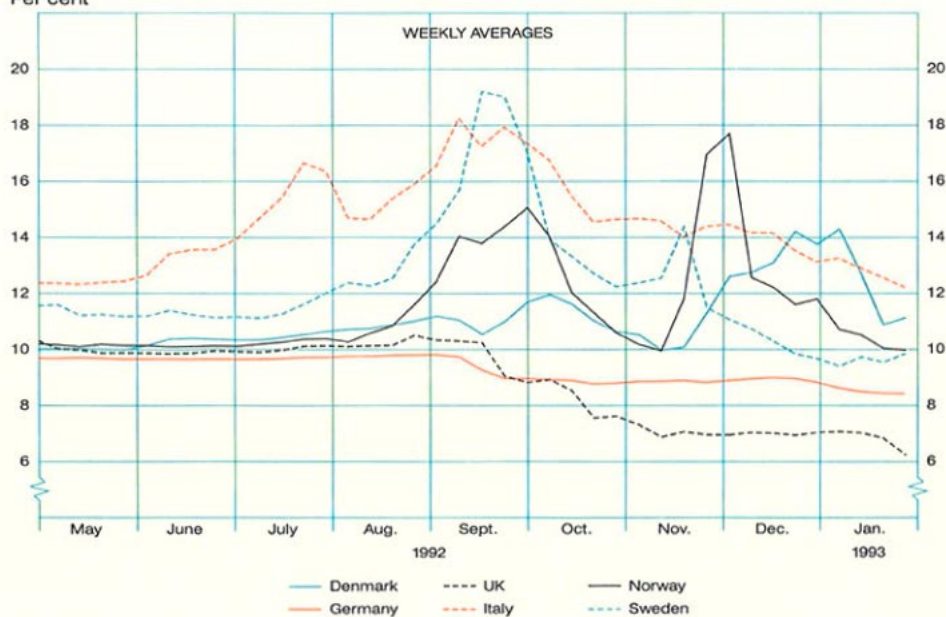
Exchange-rate development of selected EMS currencies against D-mark Figure 1



Note: Percentage change vis-à-vis the D-mark central rate as of August 1, 1992.

Figure 2
Per cent

3-month inter-bank interest rates



Note: For Denmark, repurchase agreements in Treasury bills. For Sweden and Norway, 3-month Euro-deposit interest rates.

value the peseta and the escudo by 6 per cent. This devaluation barely changed the market rates for the two currencies in the broad band, cf. Figure 1. The escudo thus continued within and the peseta only slightly below the band prior to the period of turbulence.

In the days following the realignment intervention again took place in support of i.a. the Danish krone and the French franc, and after stabilizing briefly the Norwegian krone came under new pressure at the beginning of December. On December 10 Norway abandoned the krone's attachment to the ECU.

This led to new unrest within the ERM—although for the Danish krone it was short-lived. The krone strengthened following the special Danish agreement reached in Edinburgh during the weekend of December 12-13.

The ensuing repurchases of foreign exchange were relatively modest, but on two occasions in December the Nationalbank was able to lower the rate of interest for certificates of deposit by 1 per cent to 13 per cent.

At the beginning of January the French franc again came under pressure for a short period. This was countered on January 5 by the German and French governments' repetition of their joint declaration of September 23 regarding the prevailing exchange-rate parities. France simultaneously raised its overnight interest rate by 2 per cent to 12 per cent, and on January 7 the Bundesbank lowered the rate of interest for repurchase agreements by 0.15 per cent to 8.60 per cent, after which the foreign-exchange markets stabilized to a degree.

In Denmark the markets awaited the publication of the "Tamil Report" on January 14. After its publication and on the days following the settlement of the political crisis the

krone strengthened and the Nationalbank lowered the rate of interest for certificates of deposit in two stages by 1½ per cent to 11½ per cent. This resulted in a considerable narrowing of the interest-rate differential vis-à-vis Germany, since the short-term inter-bank rates moved closer to the Nationalbank's rates, cf. Figure 2.

Since the UK's withdrawal from the ERM last September, the Irish pound has been particularly exposed to speculation, due to Ireland's extensive trade with the UK. The Irish pound came under renewed pressure after sterling weakened again in connection with the Bank of England's lowering of the interest rate by a further 1 per cent to 6 per cent at the end of January. At Ireland's request a meeting of the EEC Monetary Committee was convened for Saturday, January 30, and it was decided to devalue the Irish pound by 10 per cent.

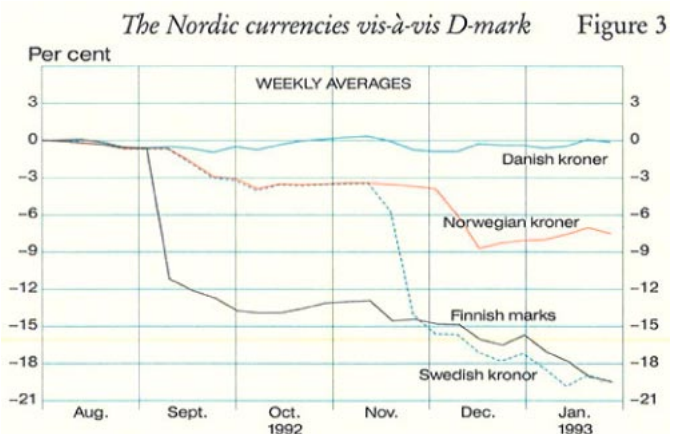
The brunt of the foreign-exchange unrest was then borne by the Danish krone, culminating in very substantial intervention in the currency's support on Wednesday, February 3, on which date the Nationalbank raised the rate of interest for repurchase agreements from 11.5 per cent to 13 per cent. On February 4, the Nationalbank raised the discount rate by 2 per cent to 11.5 per cent, tightened liquidity management, and weekly inter-bank rates of more than 40 per cent were quoted. To support the krone, the Nationalbank made intra-marginal intervention arrangements with the central banks of Belgium, France, the Netherlands, Spain and Germany. These measures had an immediate stabilizing effect, and the krone strengthened further in the afternoon when the Bundesbank announced a lowering of the Lombard rate and the discount rate by ½ and ¼ per cent to 9 and 8 per cent, respectively. The Bundesbank's comments on this lowering of interest rates included the expectation that it would contribute to reducing tensions in the foreign-exchange markets.

The krone maintained its strengthened position, and the Nationalbank was able to repurchase foreign exchange to a certain extent.

The Nordic currencies

As mentioned in the Monetary Review—November 1992, Finland's decision of September 8, 1992 to allow the Finnish mark to float put the Swedish krona under strong pressure. However, this subsided after the political agreement on extensive public spending cuts and a reduction of employers' payroll contributions. In the meantime, as a consequence of the krona's attachment to the ECU—a weighted average of EEC currencies—the Swedish krona had weakened slightly against the D-mark, cf. Figure 3, after the pound sterling and the lira were allowed to float.

Sveriges Riksbank's reaction to the more stable foreign-exchange situation was to lower the inter-bank rate of interest substantially, but in mid-No-



Note: Percentage change vis-à-vis D-mark value as of end-July 1992.

vember the Swedish krona came under renewed strong pressure after unsatisfactory sales of government paper at an auction on November 12. On November 19, Sveriges Riksbank raised the marginal rate of interest by 8.5 per cent to 20 per cent and the government introduced a third package of crisis measures.

Nevertheless, the pressure against the Swedish krona continued both at home and abroad, and on the afternoon of November 19 the Riksbank announced its decision to allow the krona to float. The rate of interest was lowered to 12.5 per cent, cf. Figure 2. The Swedish krona immediately fell by just over 10 per cent and has since weakened further, cf. Figure 3. Since then, the rate of interest has been lowered gradually, most recently on February 9 to 9.75 per cent. At the beginning of February the exchange rate for the Swedish krona vis-à-vis the D-mark had dropped by 20 per cent from the level prior to the foreign-exchange crisis in September.

Due to Norway's extensive trade with Sweden, the Norwegian krone immediately came under pressure and Norges Bank raised the interest rate on two occasions by a total of 15 per cent to 25 per cent. The banks' access to borrow from Norges Bank was reduced and overnight rates of interest of up to 750 per cent were quoted. This eased the pressure on the Norwegian krone, Norges Bank lowering the rate of interest back to 16 per cent. However, on December 10 Norges Bank announced the suspension of the Norwegian krone's attachment to the ECU, since the currency was still being undermined. Simultaneously, the rate of interest was cut by 5 per cent to 11 per cent, since when it has been lowered further to 9.5 per cent.

The weakening of the Norwegian krone was modest compared to that of the Finnish mark and the Swedish krona, cf. Figure 3, which can be attributed to Norway's considerably better central-government finances and external position, due to the country's oil revenues.

The countries which have allowed their currencies to float have all experienced how opportunities to separate interest rates from exchange-rate considerations are limited. The short-term interest rate, which is most directly influenced by the central bank, was thus in Italy and Norway at the same level in January this year as in May last year, cf. Figure 2. In Sweden, it fell by just over 1 per cent, but with only a marginal narrowing of the interest-rate differential vis-à-vis the D-mark. Only the UK saw any noteworthy decrease in its inter-bank rate during this period. In Sweden and Italy bond yields, which are more likely to be determined by expectations of inflation in the longer term, were at the end of January slightly above the level prior to the ERM unrest and considerably higher than the yield on D-mark bonds. Meanwhile yields in the UK and Norway had fallen slightly, even though the interest-rate differential vis-à-vis Germany had also increased in these countries, cf. Figure 4.

Up to the currency unrest at the beginning of February, which was an isolated Danish phenomenon, the general experience from the various turbulent periods had been that, in relative terms, smaller amounts were needed to support the krone than for the other currencies under pressure. The background to this is recent years' favourable development in economic fundamentals such as inflation and the balance of payments. Furthermore, the Nationalbank usually made use of the full ERM band width. Coupled with a substantial raising of the inter-bank rate in some periods, this increased the cost of speculation against the krone, and to a certain extent brought about stabilizing speculation in the form of foreign exchange for sale against kroner.

The banks introduced a premium on interest rates of up to 6 per cent for certain business loans. This premium gradually lapsed as the interest-rate situation normalized.

In step with a certain stabilization of the foreign-exchange markets, in the last half of December the Nationalbank gradually lowered the rate of interest for certificates of deposit and repurchase agreements to 13 per cent, and the tight management of liquidity was relaxed. In January, developments on foreign-exchange markets provided for a further lowering of the rate of interest on two occasions, most recently on January 26 to 11.5 per cent. The 3-month inter-bank rate subsequently fell to just below 11 per cent, cf. Figure 2.

The resulting pressure against the krone at the beginning of February made another increase in interest rates necessary, and a proportion of the liquidity requirement corresponding to the intervention in the foreign-exchange market on February 3 was covered by 17-day agreements at 40 per cent. During the ensuing stabilization of foreign-exchange conditions the Nationalbank again supplied liquidity at a rate of interest of 13 per cent, but maintained its tight control.

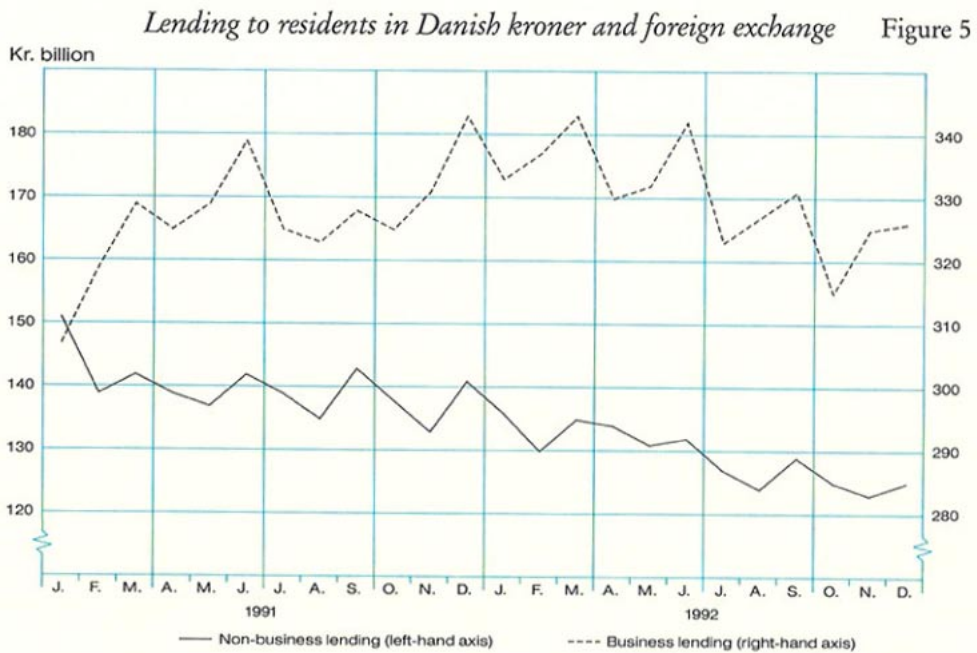
In line with developments abroad, collateral is now required for more and more loans between the banks, and the rate of interest for such inter-bank transactions has become more representative of short-term interest rates. This trend strengthened after January 1, 1993, when ten banks entered into an agreement to establish a market for collateralized inter-bank lending based on Treasury-bill repurchase agreements with an appurtenant market-maker arrangement. This agreement imposes an obligation on the participating banks to quote two-way prices in this market on a continuous basis. In addition, the banks are committed to accept transactions at the quoted rates within a fixed limit.

Sales of krone bonds to abroad in October and at the beginning of November for considerable amounts, cf. below, contributed to the decrease in the yield on 10-year government bonds by just over 1 per cent to approximately 8½ per cent, cf. Figure 4. Long-term interest rates rose to 9 per cent during the currency unrest in the last half of November, when there was some resale of krone bonds, and remained at this level up to mid-January. After the clarification of the domestic political situation, sales of krone bonds to abroad resumed and at the end of January the yield on 10-year bonds had fallen back to approximately 8½ per cent. The interest-rate differential vis-à-vis Germany narrowed to 1½ per cent, but widened again in connection with the unrest at the beginning of February.

The banks' liquidity

In November and December the banks' net position vis-à-vis the Nationalbank decreased by kr.17 billion, corresponding to the Nationalbank's sales of foreign exchange in support of the krone at the beginning of December. In January, the Nationalbank repurchased foreign exchange in the market for kr.4 billion. From the beginning of November until the end of January, central-government payments have increased liquidity by just over kr.6 billion.

The Nationalbank's lending via repurchase agreements was used to ensure that, except for a few days, the banks' holdings of certificates of deposit did not fall below kr.10 billion. This enables the Nationalbank to cover the liquidity requirement by



Note: Including branches and subsidiary banks abroad. In 1991 adjusted for losses and provisions.

purchasing certificates of deposit on the days when the banks as a whole have a shortfall of liquidity.

With a view to improving the banks' liquidity planning, as from January 1993 the Nationalbank will give the banks detailed forecasts two months ahead of the day-to-day development in central-government payments. The Nationalbank will also state on which days of the month it expects sales or purchases of certificates of deposit.

The banks' balance sheets

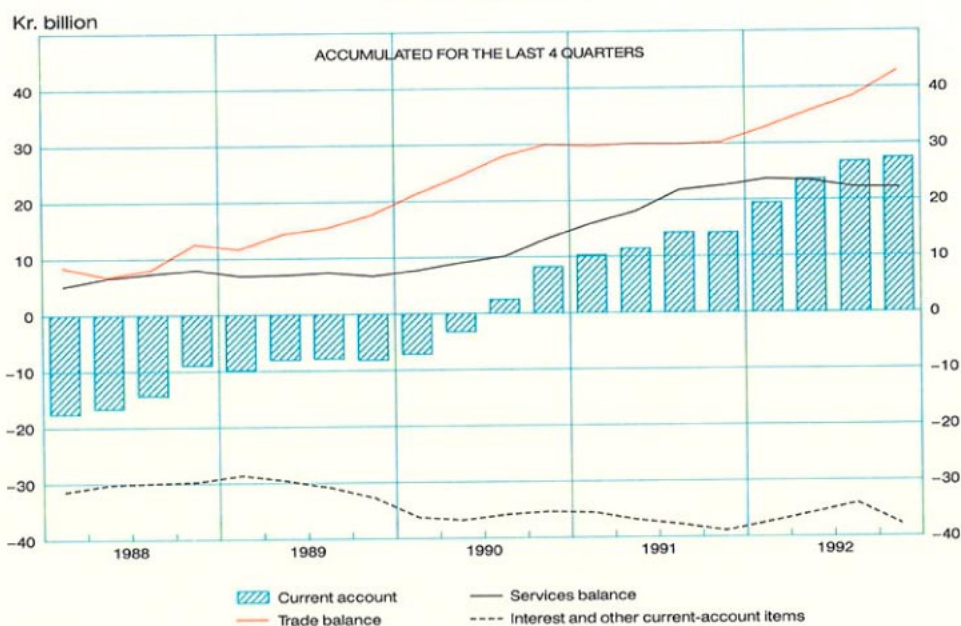
In 1992 total lending from banks in Denmark and their foreign units fell by kr.45 billion, and holdings of securities were reduced by approximately kr.10 billion. The dominating set-off to this decrease in assets was a reduction of approximately kr.40 billion in the banks' debt to foreign credit institutions, while the banks' deposits remained by and large unchanged.

The banks' lending to business customers declined in the second half of 1992, while non-business lending has fallen steadily since the beginning of 1991, cf. Figure 5.

The slack demand for credit first and foremost reflects the development in the economy and perhaps also the banks' tendency to subject the potential profitability of new projects to more careful scrutiny. In addition, lending to the non-business sector fell in 1992 as a consequence of the winding-down of tax-related schemes. On evaluation of the development shown in Figure 5 it should be noted that losses and provisions are deducted from outstanding loans. Adjustment for this would result in an equivalently higher figure for credit extension.

As a result of the liberalization of mortgage-credit legislation in 1992, the mortgage-

Figure 6 *The current account of the balance of payments and its sub-balances*



credit institutes' lending for no specified loan purpose rose to approximately kr.2 billion during the quarter. Extraordinary redemptions in the same period were considerable, and throughout 1992 the mortgage-credit institutes' outstanding loans, measured by the volume of bonds in circulation, showed a falling trend, disregarding the financing of subsidized housing projects with index-linked loans.

Balance of payments

The current-account surplus amounted to kr.3.8 billion in the 4th quarter, or just over kr.½ billion more than the previous year. The surplus for the year as a whole was kr.27.4 billion, i.e. almost double that of 1991, cf. Figure 6.

The surplus in the 4th quarter was affected by extraordinarily high interest payments of kr.14.2 billion as a consequence of the year's extensive sales to abroad of government bonds falling due in November.

The trade surplus in the 4th quarter increased against both the 3rd quarter of 1992 and the 4th quarter of 1991, cf. p. 10 of the Tables and graphs section. Net exports of ships and aircraft increased in particular, but there was also an improvement in other items.

However, both exports and imports declined: the decrease in manufactured exports came after increases in preceding quarters. There was weak development in a number of important Danish export markets, and the very favourable pattern of development in market shares may have been broken, cf. p. 11 of the Tables and graphs section.

Capital flows

The private sector and local governments, etc. accounted for total capital exports (including errors and omissions) of just under kr.8 billion in the 4th quarter. With a

current-account surplus of just under kr.4 billion, this contributed to a deficit in the foreign-exchange market of a little below kr.4 billion, corresponding to the National-bank's net intervention sales of foreign exchange. The central government raised loans abroad for kr.10 billion, thus increasing the foreign-exchange reserves by kr.6 billion.

The record sales of krone bonds to abroad of kr.24 billion in October were followed by resales in November and December, bringing net sales to abroad down to kr.10 billion for the quarter as a whole.

Direct investments and business enterprises' borrowing transactions entailed total capital exports of just over kr.9 billion. As in the third quarter, gross capital flows were affected by the expiry of private individuals' tax-related schemes, cf. p. 8 of the Tables and graphs section.

Whereas private capital flows in the first three quarters of 1992 had been characterized by very considerable capital exports due to a continuing increase in the banks' external position (kr.50 billion), development in the banks' foreign account remained generally neutral in the 4th quarter.

Changes in the banks' external position are to a small extent due to displacements in their foreign-exchange positions on own account, but first and foremost reflect changes in krone accounts with non-residents and the hedging of foreign-exchange contracts with customers and foreign correspondent banks. Cover of foreign-exchange forward contracts in particular has played an important role in 1992.

The first three quarters of 1992 thus saw a reversal in the banks' forward position from net foreign-exchange purchases of kr.8 billion to net sales of kr.27 billion. The net position at the end of the third quarter comprised purchases from domestic customers of kr.30 billion and sales to abroad of kr.57 billion. This tendency for residents to take

Development in net prices

| | Index of net retail prices | Energy | Imports ¹⁾ | Domestic inflation | | | | |
|-------------------------------|----------------------------|--------|-----------------------|--------------------|-------------|---------|-----------------|---------------|
| | | | | Total | Food-stuffs | Housing | Public services | Other factors |
| | | | | Weighting | | | | |
| | 1.000 | 0.088 | 0.137 | 0.775 | 0.165 | 0.228 | 0.069 | 0.312 |
| Year-on-year growth, per cent | | | | | | | | |
| 1988..... | 5.0 | 2.8 | 5.0 | 5.2 | 3.6 | 5.0 | 8.7 | 5.6 |
| 1989..... | 5.3 | 13.5 | 4.7 | 4.6 | 4.2 | 5.0 | 5.8 | 4.2 |
| 1990..... | 3.1 | 4.8 | 2.6 | 3.0 | 1.0 | 4.0 | 2.5 | 3.8 |
| 1991..... | 2.6 | 1.6 | 2.7 | 2.7 | 0.5 | 3.4 | 4.4 | 3.1 |
| 1992..... | 2.1 | - 3.8 | 2.5 | 2.5 | 1.8 | 2.0 | 2.9 | 3.2 |
| 1991 1st qtr. | 2.7 | 6.7 | 2.3 | 2.3 | - 1.4 | 3.8 | 4.0 | 3.1 |
| 2nd „ | 2.9 | 8.5 | 2.6 | 2.4 | - 0.2 | 3.5 | 4.4 | 2.7 |
| 3rd „ | 2.5 | - 1.4 | 2.9 | 2.9 | 1.1 | 3.3 | 4.9 | 3.1 |
| 4th „ | 2.4 | - 5.9 | 3.0 | 3.1 | 2.3 | 3.0 | 4.1 | 3.4 |
| 1992 1st qtr. | 2.5 | - 4.6 | 3.0 | 3.1 | 3.7 | 2.4 | 3.2 | 3.2 |
| 2nd „ | 2.5 | - 1.7 | 2.9 | 2.7 | 2.5 | 2.0 | 2.9 | 3.4 |
| 3rd „ | 1.8 | - 4.9 | 2.3 | 2.3 | 1.1 | 1.7 | 2.9 | 3.1 |
| 4th „ | 1.6 | - 3.9 | 1.8 | 2.1 | - 0.2 | 1.9 | 2.7 | 3.1 |

¹⁾ In addition to the imported goods included in the items energy and foodstuffs.

krone positions in the forward exchange market, while non-residents traded against the krone, strengthened in the 4th quarter when the banks' forward foreign-exchange purchases from domestic customers rose to kr.43 billion, while sales to non-residents increased to kr.74 billion.

Development in prices

Price development dampened further throughout 1992. The year-on-year rate of increase in the index of net retail prices slowed down to 1.6 per cent in the 4th quarter of the year, thus staying at a lower level than in any other European country. Since Denmark has been exposed to by and large the same external pressures as the other countries within the ERM whose currencies stood firm, Denmark's underlying rate of inflation was also the lowest in Europe.

However, the underlying rate of inflation has not been reduced. The slower rise in the index of net retail prices is due in particular to the more stable development in prices on imports and foodstuffs, cf. the Table. Development in wage costs, productivity and profits in the non-agricultural private sector is summarized under "Other factors". Rates of increase have been low, but with no further decline.

The Faroe Islands

As mentioned in the Monetary Review—November 1992, the Faroese Home Rule was granted a central-government loan of kr.500 million at the end of 1992, primarily to strengthen Sjóvinnubankin's net capital.

Increasing difficulties in the fisheries sector in connection with the general recession in the Faroe Islands made a new reconstruction of Sjóvinnubankin necessary. Against this background, a new central-government loan of kr.350 million has been agreed, to be contributed as liable capital to the bank by the Financing Fund of 1992. This loan agreement stipulates a number of fiscal- and business-policy conditions additional to the previous agreement. As on the previous occasion, the Nationalbank will provide bridge financing against a government guarantee until the government loan can be disbursed.

*Letter of December 28, 1992 to the Danish Bankers
Association from Danmarks Nationalbank concerning*

The Liquidity System and the Money Market

At a meeting of the Executive Board of the Danish Bankers Association in November the liquidity system and the liquidity situation were discussed. On November 11, 1992 the Association briefed the member banks on these deliberations. On November 30, a meeting was held between the Danish Bankers Association and Danmarks Nationalbank to discuss the functioning of the liquidity system. The Association's representatives put forward a number of issues which had been raised among its members, including questions concerning the periods of foreign-exchange unrest. The Nationalbank's representatives reported on their experience with the system and the problems seen by the Nationalbank with regard to the money market.

It was agreed that a report on these issues would be sent out to all banks in Denmark.

1. The altered money-market conditions

Denmark has traditionally had a considerable inter-bank market in both kroner and foreign exchange, via which the banks have extended loans without collateral to each other at maturities of up to 12 months. Although this market has always focused on the short maturities there has been a gradual movement towards even shorter maturities, a trend also typical of a number of other countries. In addition, there is now less willingness to provide loans without collateral. Today, uncollateralized loans at maturities of more than a few days are almost non-existent on the Danish money market.

As the fixed-term deposit market has also become more volatile, and Danish banks have seen a general deterioration in the access to funding abroad, the need has become even more urgent for an effective settlement of liquidity variations between the banks.

This development is making increasing demands of the individual bank's planning of its liquidity, and also requires a well-functioning money market with both short and longer maturities. As the banks generally have no wish to provide loans without collateral it is essential that an organized market for collateralized money-market loans be established.

2. The functioning of the liquidity system under normal foreign-exchange conditions

The liquidity system is structured in such a way that the Nationalbank supplies the total liquidity necessary at an interest rate determined by the Nationalbank. The banks themselves take care of settlement between banks with a liquidity surplus or requirement, respectively.

The Nationalbank supplies liquidity via repurchase agreements in Treasury bills or government bonds. Normally, these transactions take place once a week and have a maturity of 14 days. The banks can also acquire 14-day certificates of deposit. This "conversion" of Treasury bills and bonds to certificates of deposit ensures that the banks can obtain liquidity with same-day value, since certificates of deposit can be sold to the Nationalbank or other banks with immediate effect on liquidity.

On making loans to banks via repurchase agreements, the Nationalbank holds similar

collateral to under the system of before April 1, where the banks pledged their bond holdings as collateral to the Nationalbank.

On days with a liquidity shortfall in the system the Nationalbank offers to purchase certificates of deposit at an interest rate which is marginally higher than the rate in force for sales of certificates of deposit.

If the liquidity in the system is particularly high on individual days, the Nationalbank offers sale of certificates of deposit on an extraordinary basis.

The banks' surplus liquidity is placed in current accounts with the Nationalbank and accrues interest within certain limits.

In stable foreign-exchange conditions the Nationalbank's repurchase agreements and purchase/sale of certificates of deposit take place at an interest rate fixed by the Nationalbank, and with no quantitative limits. Furthermore, the system is based on the banks themselves balancing overall liquidity via the money market.

As previously mentioned, money-market transactions between the banks to an increasing degree require the provision of collateral, particularly for the slightly longer maturities. This can be made available via repurchase agreements between banks, for example the so-called Treasury-bill swaps. For the very short maturities, collateralized money-market agreements can take place by transfer of certificates of deposit.

3. The liquidity system in periods of foreign-exchange unrest

Irrespective of the prevailing liquidity system, the Nationalbank has always reserved the right to change the rules without notice in the event of unrest on the foreign-exchange markets.

As shown by the development in several periods since September, in addition to raising interest rates in such situations the Nationalbank also exercises very tight control of the banks' liquidity. This means that the Nationalbank suspends the customary management of interest rates under which the banks themselves determine the liquidity requirement.

Instead, liquidity supply has been tightly controlled in different ways by auctions, intervention in the money market or by the rationing of access to resale of certificates of deposit.

The scarcity of liquidity and the uncertainty have contributed to high money-market spreads, and in general this has caused market conditions to become disorganized, which is of course unfortunate, since it is normally the Nationalbank's objective to ensure well-functioning, efficient markets. However, this has been necessary in order to counter speculation against the krone effectively, and as quickly as possible.

4. The experience with the liquidity policy and the functioning of the money market

a) Overnight market

On the introduction of the new system the Nationalbank pointed out that one consequence would be greater fluctuation in the overnight interest rate. However, the latter is not regarded as significant to monetary policy, since it to a large extent reflects the fluctuation in liquidity due to central-government finance. For this reason, the Nationalbank discontinued the daily publication of this interest rate. Nonetheless, it is not appropriate to have excessive fluctuations in the overnight rate. It has been pointed out that moving the weekly sale of certificates of deposit from Thursday to Friday would contribute to stabilizing short-term rates, and within a short period the Nationalbank will set Friday as the normal day of sale.

A second explanation for the fluctuation in the overnight interest rate is the high interest-rate differential in certain periods between the certificate-of-deposit and current-account rates. However, this differential is related to reactions to foreign-exchange unrest and the subsequent gradual normalization process and will therefore be difficult to avoid in periods of instability.

In addition, the Nationalbank finds that in certain cases the settlement between the banks is not sufficiently effective, amongst other reasons because certificates of deposit are not used for this purpose. It is necessary that the banks be willing to participate in this settlement at reasonable interest rates and do not succumb to the temptation to take short-term measures in an attempt to maximize their gains. Should a situation arise in which this settlement does not take place on reasonable terms, the Nationalbank reserves the right to counter it by money-market operations.

A further precondition for a well-functioning settlement of liquidity is that all banks, apart from the smallest ones, be willing to devote the necessary resources to controlling and handling liquidity. To facilitate this, the Nationalbank will improve the information provided on the prevailing and expected liquidity situation.

The details of overall liquidity in the banking sector which are presently published on the following morning will be brought forward to after markets close on the same day. Concurrently, information will be given on the volume and maturities of any money-market operations on the relevant day.

With effect from January 1993 the Nationalbank will issue detailed monthly forecasts of the development in central-government payments on a daily basis for the following two months. In this connection a prior briefing will be given of on what days of the month—in addition to the regular sale days—the Nationalbank expects to provide access for the banks to buy (typically in connection with local-government reimbursements on the first day of the month) or sell back certificates of deposit.

The banks' access to sell back certificates of deposit will solely concern days on which central-government payments give rise to a need for a considerable supply of liquidity.

On the other hand, minor central-government payments and ongoing deviations from the forecasts will normally be corrected by the Nationalbank's market operations in certificates of deposit via money-market brokers.

The Nationalbank is considering using repurchase agreements in certificates of deposit for the ongoing settlement of liquidity.

b) The longer-term money market

As previously mentioned, there is no longer a well-functioning market for uncollateralized loans between the banks with maturities beyond a very few days.

There is therefore a tendency for longer-term liquidity management to take place via the fixed-term-deposit market, instead of directly between the banks.

A more organized market for the longer maturities is essential to enable the banks to plan liquidity on a reasonable basis, and it is also important for foreign financial intermediaries to be able to continue to trade actively in Danish securities.

Money-market agreements with longer maturities will usually take place by repurchase agreements in the form of Treasury-bill swaps. In the summer of 1992 a tendency arose for these transactions to take place only on a very limited scale, many banks reserving their Treasury bills for use in repurchase agreements with the Nationalbank.

The extension of the access to borrowing which took place as of October 20, 1992 therefore improved opportunities for these money-market transactions.

It is important that a large number of the banks participate actively in liquidity settlement in the longer-term money market. The Nationalbank has therefore been in contact with the Danish Bankers Association and a number of banks regarding this issue, and it has also been discussed by the Danish Bankers Association.

Under the Association's auspices an agreement has been entered into between 9-10 banks on the establishment of a market based on Treasury-bill swaps with appropriate market-maker schemes for maturities of 1, 3 and 6 months. This should create the basis for an efficient market in which a large number of banks can participate.

The establishment of a krone market proper with the aforementioned maturities has furthermore been a necessary prerequisite for the Nationalbank's continued participation in fixing CIBOR rates.

Should the market-maker scheme prove to give a need for adjustment of the liquidity system (for example fixing the maximum limit on interest-earning deposits), the Nationalbank is prepared to consider such amendments positively in order to ensure the efficient functioning of the Treasury-bill market. On the other hand, the Nationalbank will not itself participate in the market for Treasury-bill swaps with longer maturities, other than in quite extraordinary circumstances. The Nationalbank will continue to supply liquidity via the weekly 14-day repurchase agreements in government paper and furthermore to regulate liquidity by sale and purchase of certificates of deposit.

European Monetary Integration after the Recent EMS Turbulence

by Governor Erik Hoffmeyer¹⁾

The word turbulence in my title is clearly an understatement.

Since its establishment the European Monetary System (EMS)—and in particular its Exchange Rate Mechanism (ERM)—has been through two periods that have been distinctly different.

The first was the disorderly, incoherent years from 1979 until March 1983 with uncoordinated national economic policies and frequent and large exchange-rate adjustments. It almost ended in collapse.

During the second period from March 1983 until early this year, the system gradually experienced growing exchange-rate stability with improved coordination of economic policies in member countries, increases in membership, and—since 1987—no exchange-rate realignments. However, the system exploded in September after the heaviest exchange market pressure experienced so far. Interventions to defend the system became so huge that Italy and the United Kingdom eventually decided to leave the ERM temporarily while Spain devalued by 5 per cent but remained in the ERM.

It is natural to ask why the successful development of the system came to suffer from a crisis of credibility last September and how serious this setback is for the move towards further European monetary integration.

Fundamentally it deals with the interconnection between rules of behaviour, performance and expectations.

Particularly regarding analysis of expectations I have to warn you that this issue is highly conjectural—almost subjective, and I have no claim to be closer to the truth than others.

Let me begin with the basic policy rules of the EMS as they were originally formulated with the aim of creating a “zone of monetary stability in Europe”.

The rules were laid down in the Bruxelles Council Resolution of December 5, 1978. These rules, inter alia, stipulated that when a currency crosses its threshold of divergence there will be

“a presumption that the authorities concerned will correct this situation by adequate measures, namely:

- a) diversified intervention;
- b) measures of domestic monetary policy;
- c) changes in central rates;
- d) other measures of economic policy.”

¹⁾ Speech by Governor Erik Hoffmeyer at the European Finance Convention in London on November 23, 1992.

It was of course recognized that economic performance had to converge if the system should remain stable, but the focus of attention was initially on the parity grid of exchange rates and the divergence indicator.

If a country for one reason or another diverged from the rest it had to adjust. In general terms divergence was measured by the market exchange rate of a currency in relation to an average of all other EMS currencies. It was a one-dimensional test that was presumed to trigger action.

I think it is well-known that this blueprint did not work at all. For various reasons the divergence indicator never played a significant role as a trigger mechanism. Nor did divergent countries seriously embark on stability-oriented policies. On the other hand, the exchange-rate instrument was used frequently.

Indeed, the first four years of the EMS witnessed an almost chaotic development as several members pursued internal policy objectives with monetary stability being of second order of importance.

France, particularly in the latter part of the 1979-83 period, followed an expansionist economic policy with relatively high inflation rates. This fostered exchange market tensions that led to several devaluations, amounting in total to about 30 per cent vis-à-vis the D-mark.

Other countries, like Denmark, Belgium, Ireland and Italy, pursued similar policies and had to devalue, too.

It was a period of clearly non-convergent economic policies resulting in recurrent currency unrest and market pressure for exchange-rate adjustment. And realignments came.

Since 1983 things have changed decisively. Convergence became the dominating goal and improved substantially.

This change of emphasis was not only based on the dismal experience of the years 1979-83 but also on a common desire to pursue a stability-oriented economic policy.

It was now widely recognized that convergence of fundamental economic performance was absolutely essential for the maintenance of the stability of the fixed exchange-rate system.

This recognition found its expression in amendments to the system in 1987, the so-called Basle-Nyborg Agreement.

Convergence was to be strengthened, in particular, through domestic economic policy measures, assisted by an elaborate system of surveillance and monitoring in various EC fora.

For this purpose a set of economic indicators should be analysed for each country whereas disturbances in the exchange market should first and foremost be counteracted by exploiting

“... the scope for a more active, flexible and concerted use of the instruments available, namely exchange rate movements within the fluctuation band, interest rates and interventions.”

Exchange-rate adjustments are also mentioned but it is specifically stated that they should be “... infrequent and changes in central rates should be kept small ...”

Thus, exchange-rate adjustments could be avoided if convergent economic policy measures proved successful.

As a matter of fact it did. With the Maastricht Treaty blueprint for an Economic and Monetary Union the fixed-rate system gained in credibility and importance by the convergence criteria for entry, including the one requiring countries to observe—in the

run-up to the third phase of the EMU—the normal fluctuation margins of the ERM, for at least two years, without devaluing.

In the meantime, the Committee of Governors in its annual report of April 1992 and in various written and oral presentations to the Ecofin Council pointed out that convergence was not satisfactory.

Markets were, however, convinced that the obligation to coordinate fundamentals among members was so strong that the fixed-rate system would be a safe stepping-stone to the EMU.

In retrospect, it can be argued that market expectations were naive or unrealistic and did not appreciate the true differences in fundamentals. Moreover, it is a fact that the widespread credibility of the system led authorities to believe that adjustment of fundamentals could be postponed without serious risk.

Looking at fundamentals there is no doubt that over the past 3-4 years there have clearly been differences between the economic performance of the inner core group of countries, and developments in Italy, Spain and the United Kingdom. This applies to the balance of payments, public finance, inflation and competitiveness (as measured by some kind of real exchange rates).

These differences had to be adjusted before entry into the EMU, but it was assumed that there would be ample time to accomplish the adjustment.

The sequence of events leading to the explosion on September 16 was actually triggered by the Danish referendum in early June, polls on the French referendum during the summer and increasing difficulties with the British ratification of the Treaty.

It started by increasing interventions in support of the Italian lira. But in the process credibility became gradually undermined and the blast in connection with the French referendum was not foreseen—neither was its powerfulness.

Even though much is known of how the crisis was handled, quite a lot is yet unknown.

I am not in a position to add to what has been unveiled in the media or elsewhere, and I do not think it is so interesting to know who spoke what to whom.

The sequence of events had a clear pattern.

The first step was that the huge interventions at the margins in support of the Italian lira led the Germans to initiate negotiations between the two governments as German monetary policy could be seriously imperilled by money creation on such a scale.

The result was a devaluation of the lira versus the other currencies in the ERM by 7 per cent. However, tensions did not subside—markets were not convinced that this was enough.

Pressure increased and became explosive against sterling. Italy and the United Kingdom then decided to suspend intervention and leave the system temporarily.

The French franc had to be supported strongly, even after the referendum. The pressure on the franc gained so much momentum that release of a common declaration between the two finance ministers and central bank governors was seen as being necessary. According to the declaration fundamentals were such that exchange-rate adjustment would not be justified. Also it is stated—somewhat cryptically—that both parties will act in accordance with the rules of the EMS.

Markets have since calmed down and the so-called inner core currencies remain intact. Reflows of capital to France where the franc was under heavy pressure, and Denmark where the krone also had to be supported a few days, have more than fully offset previous interventions.

Could the outcome have been prevented?

Participants in the debate have already given answers—but quite different answers.

Some say: It could have been prevented if countries with out-of-line currencies had in time devalued their currencies convincingly.

Others say: Yes, if countries with out-of-line fundamentals had adjusted fundamentals or had shown sufficient willingness to do so, markets would have been convinced.

Finally, some say: Yes, if the system had functioned better.

Let me comment briefly on these three attitudes.

The first group maintains that an exchange-rate adjustment should have been accomplished earlier.

It is true that an earlier adjustment would have prevented the September explosion but it neglects the fact that the whole philosophy of the Basle-Nyborg Agreement and the Maastricht Treaty was to avoid using the exchange rate as an instrument in the adjustment process.

As noted previously, one of the Treaty conditions for qualifying as a participant in the final stage of the EMU is precisely that the country has not over the preceding two years actively devalued its currency.

The second group maintains that fundamentals should have been corrected earlier, but this disregards the fact that Italy—admittedly after some delay—had launched a comprehensive adjustment program that was aimed at coming to grips with unsatisfactory fundamentals by abolishing indexation of wages, reducing transfer payments and limiting the public deficit. In the United Kingdom fundamentals were deviating regarding the balance of payments. The public sector deficit was rising, but mainly due to the deepening of the recession, and inflation was clearly on a downward trend.

Thus, a case might have been made for the argument that fundamentals would move in the right direction, but in the event the move was not sufficient to convince markets.

The explosion on September 16 was the outcome of a confrontation between markets and authorities. Markets—or more precisely the expectation of millions of economic agents—had gradually lost confidence in the determination of the authorities to defend the exchange rates.

It is difficult to say exactly what should have been done, but it is a basic feature of a fixed exchange-rate system that authorities will lose if they do not show determination to defend the system.

At the last moment the system was rescued by the German-French statement, indicating that support would be unconditional. This eventually convinced markets, and as I have mentioned, capital flows were reversed completely.

The third group maintains that the system should have functioned better. However, technical changes of the EMS cannot be a substitute for political determination to defend the system, which means that one should not try to find remedies in measures to improve the functioning of the system.

The essence is that authorities miscalculated the degree of credibility that had developed and thought that there was ample time to undertake the necessary adjustments.

Suggestions have now been put forward that the disequilibrating capital flows should be analysed and that certain amendments or adjustments might be made to the EMS.

Obviously we will analyse what has happened as we have been doing in the wake of previous crises. We will in all probability be able to learn from what has happened. In this connection, my own argument has always been that the major issue is the confrontation between market expectations and political determination to adhere to sta-

bility-oriented policies. A technical study cannot be expected to find answers to such complex issues.

Now, the second question from my introduction: How serious is the breakdown?

There is no denying that the explosion of September 16 is a clear setback on the road towards EMU.

An almost euphoric belief in the fixed exchange-rate system as a stepping-stone towards EMU has been shattered, but, as I have argued, markets had become over optimistic as the institutional framework of the EMU was put in place. But within this framework realities turned out to be not so bright. Full convergence was not just around the corner and not easy to acquire.

The real problems would unquestionably have emerged later on, and it is not harmful that they are recognized now.

In addition, it is reassuring that the inner core of the ERM has survived. I have mentioned that reflows have more than fully compensated for previous interventions in France and my own country. This means that the system functions appropriately.

It would, however, be hiding the fact not to mention the disagreement which has come to the surface in several member countries as a consequence of the breakdown.

A debate has begun and will continue on who has to adjust and whether the EMS rules should be amended.

I am afraid that such a debate will open a Pandora's Box of intractable attitudes.

It is quite natural that authorities in Italy and the United Kingdom feel that the system should have given them better protection. Likewise, the German authorities feel that monetary policy has been taken out of the hands of the Bundesbank by the flood of D-marks that have been created by those interventions.

Even though there are understandable misgivings about what happened in September it is necessary to recognize that stability of the ERM requires that interventions are necessary only for a short period and that they are then reversed. This is a fundamental rule of the game.

The system has been impaired by recent events. The market's faith in the stability of the fixed-rate system was surprisingly strong but is now unreasonably low as evidenced by capital flows of magnitudes never seen before, even in cases that are not warranted by fundamentals. It needs a political effort to restore faith in the system.

Credibility is the essential requirement for the stability of the system and credibility has to be created at home. Under present circumstances it is the responsibility of national authorities and cannot be bought or imported.

Not until EMU is established will credibility become a common responsibility.

Speech by Governor Erik Hoffmeyer
at the Annual Meeting of the Danish Bankers Association
on December 2, 1992

A number of economic problems have come into the foreground recently. I would like to comment on three of these areas. Firstly, the domestic economic situation and the fiscal policy. Secondly, the upheavals within the ERM in recent months. Thirdly, the tensions which have appeared in the Danish financial system.

A characteristic feature of the stagnation of the western economies—that is to say, the OECD area—is that the upswing after the cyclical downturn has been delayed. The various bodies engaged in economic forecasting are presenting more and more pessimistic revisions.

This is particularly true of Europe, where growth forecasts are now as low as around 1 per cent for this year and the next.

Consequently, the prospects of an early revival are now far more uncertain than before.

I do not intend to introduce a debate of whether the present stagnation is comparable with past experiences, but I would point out that it is affecting the entire western world, and that no viable plans to pull us quickly out of this trough have been put forward by the politicians.

It would be misleading to believe that there are different schools of economic thought, each with its own view of how to stimulate the economy.

We are well aware of the nature of total demand, but currently we do not have the means to replace or stimulate with any conviction the lacking demand for consumption and investment in the private sector. This is where the development is generally weak.

Against this background, it is extremely satisfying to note that the economic policy followed in Denmark in recent years—the long steady pull—really has provided us with a better foundation than most other countries.

I would summarize this as follows.

We expect some increase in private consumption this year—around 1½ per cent. This increase is related to the fact that real incomes have again gone up as a consequence of the very low price increases. Consumption is thus rising, and we expect stronger growth next year.

A second positive consequence of the low inflation rate is its incentive effect on exporting industries.

On this basis, growth in total output is expected to be 1½-2 per cent this year and in 1993. It may be a little more, and it can also be slightly less. Current forecasts are subject

to considerable uncertainty. The important thing is that we have economic growth, and that it is higher than the average for Western Europe.

This is often forgotten in the public debate, which tends to concentrate on the more depressing aspects of the development in the economy, namely the far too high level of unemployment.

The stability of the Danish economy means that for some years now there has been a considerable surplus on the current account of the balance of payments, enabling us to begin reducing the foreign debt.

This has given rise to debate of the opportunities of stimulating domestic demand so as to reduce unemployment.

It will be well-known that we at the Nationalbank have had reservations, or in fact warned against any major easing of fiscal policy, in view of the upheavals seen in the European exchange-rate relations in recent months.

To state this in simple terms, confidence in the exchange-rate policy depends on the conviction that we will maintain the stability-oriented policy of recent years.

If the impression is created in the present circumstances that we intend to expand domestic demand substantially, the immediate impact will be a negative assessment of the prospects of our exchange-rate policy being maintained.

It is therefore extremely satisfactory that a political consensus on Denmark's fiscal policy has been achieved, providing a clear framework for maintaining the stability-oriented policy, even though certain expansionary measures will be introduced.

A further very important factor in evaluating the economic policy is that this stance has the backing of a very large majority of the members of the Folketing (Parliament).

The individual elements of the finance bill can naturally always be discussed, but I am convinced that from an overall point of view it lies within the bounds of what we find responsible.

My second key topic is the international unrest on foreign-exchange markets.

It became clear as early as the summer that general confidence in the European fixed-exchange-rate system was being eroded. The markets were no longer convinced that the exchange-rate mechanism could be maintained without any adjustments, providing a basis for transition to the Economic and Monetary Union.

This uncertainty became more and more apparent and culminated in the eruptive events of mid-September when the UK and Italy temporarily left the ERM. Spain and Portugal have both devalued their currencies, and Finland and Sweden have abandoned their association with the fixed-exchange-rate policy.

In Denmark we have seen tensions during these upheavals, but it must be emphasized that there has been no serious pressure on the krone during these very turbulent months.

In September the tensions made it necessary to intervene for an amount equivalent to kr.11.5 billion and, as will be known, we were subsequently able to repurchase currency for almost twice that amount.

This was a success story and a demonstration of the confidence in our stability-oriented policy.

After Sweden abandoned its fixed-exchange-rate policy, at any rate for the time being, the Danish krone was subject to new unrest, but intervention was limited and of short duration. I thus find no grounds whatsoever for unrest concerning the fixed-krone-rate policy.

The D-mark is often described as the anchor or centre of the Western-European exchange-rate cooperation. Any comparison between Denmark and Germany in recent years is clearly to our advantage.

Our inflation rate is lower than Germany's.

Our balance of payments is better than Germany's.

We have better control of our central-government finances than Germany.

Finally, our overall economic growth is now quite clearly higher than Germany's.

Our development is more stable than Germany's in every important area, so any negative adjustment of our exchange rate vis-à-vis the D-mark would not make sense.

I am well aware that it has been claimed that the Swedish and British and Southern European devaluations will weaken our competitiveness.

This is correct in the short term, but in no way implies any crucial change in our stability or balance-of-payments surplus.

We cannot prevent, nor should we regret, that countries which are out of line with the surrounding economies adjust their exchange rates when they consider it fundamentally necessary. There is certainly no reason to be concerned about the impact on the Danish economy of the process of adjustment which is taking place in the countries I have just mentioned. Presumably, before very long the sting will have gone from the weakening of our competitiveness due to the other countries' devaluation of their currencies.

The third area on which I would like to comment is the development we have seen in the financial sector. Like the USA, the UK, the other Scandinavian countries and Japan, we have been affected by the stagnation of recent years. In the countries mentioned this has caused capital assets, especially real property, to depreciate.

As a result, financial institutions have experienced considerable losses, and we have stressed both in writing and verbally on several occasions that this is a natural consequence of a downturn in the economy of the strength we have experienced.

It is of course clearly regrettable to see so many losses, and in this situation it is unavoidable that many instances of bad management are brought to public attention.

However, this is not the crucial issue. The major losses are a consequence of the economic downturn and not of bad management in general.

I am by no means excusing the objectionable transactions which have been brought to light, but merely pointing out that any evaluation of the development in the financial system should maintain a reasonable sense of proportion.

In the next few years, the job of the financial system will be to tidy up and achieve rationalizations in order to restore earnings to a level sufficient to provide for an ongoing expansion of activities.

Ambitions must be adjusted to a lower level and in many cases financial institutions must return to the tasks for which they are best suited.

This development would in any event be very healthy, in contrast to the period when it was accepted uncritically that it was always good to be as large as possible and to cover as many areas as possible, even though special expertise in the new business areas was lacking.

The current development is taking the reverse course. I cannot tell how long this will take, but it is a very difficult and in some cases painful process.

This applies in particular to employment levels in the financial sector.

However, the crucial issue is that we have a financial system which is so well-consolidated that we have been able to solve the problems without crisis measures in the form

of major injections of capital from the public or other sectors, as seen in other countries. This is the case notwithstanding that the losses and provisions in the last four years of stagnation amounting to around kr.40 billion are of the same magnitude as total income from operations, and there is little prospect of an easing in the immediate future.

We have been able to solve the problems within the system's own framework, and with due consideration of market conditions.

This is also true of the most recent measures in connection with Varde Bank.

Naturally, different standpoints were taken by the groups which finally subscribed to the guarantee capital which is to give Varde Bank time to implement the rationalization measures necessary to enable the bank to stand on its own feet. Despite the diverging views, we at the Nationalbank must acknowledge that a result was achieved, and so quickly that more dramatic events were avoided.

It is important that in this situation stringent conditions have been set, regarding both Varde Bank's board and management and the policy which must be pursued and which is to be discussed with representatives of the guarantee consortium.

It is satisfying to note that it has been possible to join forces in stabilizing the financial system both in the present case and in previous instances, and I would like to thank the members of the Danish Bankers Association for their understanding of the broader perspectives in the efforts to maintain the stability of our financial system.

The Nationalbank's Press Release of November 23, 1992

The intervention rates for the Spanish peseta and the Portuguese escudo have been amended as a consequence of the realignment within the Exchange Rate Mechanism of the European Monetary System (EMS).

The following intervention rates for the peseta and the escudo shall apply between Danmarks Nationalbank and foreign-exchange dealers:

| | Danish kroner per 100 units | |
|-------------------------|-----------------------------|-------------|
| | Lower limit | Upper limit |
| Spanish peseta | 4.9354 | 5.5645 |
| Portuguese escudo | 3.8842 | 4.3791 |

The intervention rates for the D-mark, the French franc, the Belgian franc, the Dutch guilder and the Irish pound will remain unchanged, and the following intervention rates will continue to apply:

| | Danish kroner per 100 units | |
|---------------------|-----------------------------|-------------|
| | Lower limit | Upper limit |
| D-mark | 373.00 | 390.16 |
| French franc | 111.20 | 116.32 |
| Belgian franc | 18.0831 | 18.9143 |
| Dutch guilder | 331.02 | 346.24 |
| Irish pound | 999.13 | 1,045.11 |

The realignment implies the adjustment of the central rates of all ERM currencies vis-à-vis the ECU. The new central rates are as follows:

| | | | |
|-----------------------|---------|----------|-----|
| Denmark | 1 ECU = | 7.51410 | DKK |
| Germany | 1 ECU = | 1.96992 | DEM |
| France | 1 ECU = | 6.60683 | FRF |
| Belgium | 1 ECU = | 40.6304 | BEF |
| The Netherlands | 1 ECU = | 2.21958 | NLG |
| Ireland | 1 ECU = | 0.735334 | IEP |
| Spain | 1 ECU = | 143.386 | ESP |
| Portugal | 1 ECU = | 182.194 | PTE |

The theoretical central rates for the pound sterling, the Italian lira and the Greek drachma, which do not participate in the Exchange Rate Mechanism, are as follows:

| | | | |
|--------------|---------|----------|-----|
| UK | 1 ECU = | 0.805748 | GBP |
| Italy | 1 ECU = | 1,690.76 | ITL |
| Greece | 1 ECU = | 254.254 | GRD |

The Nationalbank's Press Release of December 30, 1992

Nordic central banks revise swap agreement

The Nordic central banks have decided to revise and substantially enlarge their agreement on short-term currency support, which has been in force since 1 January 1984. The revision of the agreement marks a continuation of the longstanding cooperation in foreign exchange policy between the Nordic central banks. The swap agreement was originally concluded in 1962 and subsequently revised in 1976 and 1984.

The revised agreement enters into force on 1 January 1993 for an indefinite period. Under the agreement, the central banks of Denmark, Finland, Norway and Sweden will each be entitled to receive foreign currency support from the other Nordic countries up to the equivalent of ECU 2 000 million and the central bank of Iceland up to the equivalent of ECU 200 million. In addition, each central bank is obliged to provide support up to the equivalent of ECU 1 000 million; Iceland up to the equivalent of ECU 100 million.

According to the agreement, the participating central banks are required to treat any application for support in excess of the above-mentioned amounts in a positive spirit.

A precondition for receiving currency support is that the borrowing country has, prior to using the support, made currency interventions of their own and taken monetary policy measures.

Loans under the swap arrangement are for three months, but their maturity can be extended.

The Nationalbank's Press Release of February 1, 1993

The intervention rates for the Irish pound have been amended as a consequence of the realignment within the Exchange Rate Mechanism of the European Monetary System (EMS).

The following intervention rates for the Irish pound shall apply between Danmarks Nationalbank and foreign-exchange dealers:

| | Danish kroner per 100 units | |
|-------------------|-----------------------------|-------------|
| | Lower limit | Upper limit |
| Irish pound | 899.22 | 940.60 |

The intervention rates for the D-mark, the French franc, the Belgian franc, the Dutch guilder, the Spanish peseta and the Portuguese escudo will remain unchanged, and the following intervention rates will continue to apply:

| | Danish kroner per 100 units | |
|-------------------------|-----------------------------|-------------|
| | Lower limit | Upper limit |
| D-mark | 373.00 | 390.16 |
| French franc | 111.20 | 116.32 |
| Belgian franc | 18.0831 | 18.9143 |
| Dutch guilder | 331.02 | 346.24 |
| Spanish peseta | 4.9354 | 5.5645 |
| Portuguese escudo | 3.8842 | 4.3791 |

The realignment implies the adjustment of the central rates of all ERM currencies vis-à-vis the ECU. The new central rates are as follows:

| | | | |
|-----------------------|---------|----------|-----|
| Denmark | 1 ECU = | 7.44934 | DKK |
| Germany | 1 ECU = | 1.95294 | DEM |
| France | 1 ECU = | 6.54988 | FRF |
| Belgium | 1 ECU = | 40.2802 | BEF |
| The Netherlands | 1 ECU = | 2.20045 | NLG |
| Ireland | 1 ECU = | 0.809996 | IEP |
| Spain | 1 ECU = | 142.150 | ESP |
| Portugal | 1 ECU = | 180.624 | PTE |

The theoretical central rates for the pound sterling, the Italian lira and the Greek drachma, which do not participate in the Exchange Rate Mechanism, are as follows:

| | | | |
|--------------|---------|----------|-----|
| UK | 1 ECU = | 0.808431 | GBP |
| Italy | 1 ECU = | 1,796.22 | ITL |
| Greece | 1 ECU = | 259.306 | GRD |

Tables and graphs

Principal assets and liabilities of Danmarks Nationalbank

1

| End of period ¹⁾ | Assets | | | | Liabilities | | | |
|-----------------------------|---|--------------------------|-----------------------|--------------------------------------|-------------------------------|------------------------|-------------------------|----------------|
| | Denmark's international liquidity ²⁾ | | Lending ³⁾ | Holdings of securities ⁵⁾ | Notes and coin in circulation | Deposits ⁶⁾ | Certificates of deposit | The Government |
| | Stock of gold | Net foreign assets, etc. | | | | | | |
| Kr. million | | | | | | | | |
| 1981..... | 4 759 | 18 379 | 2 836 | 10 806 | 15 288 | 1 642 | • | 6 744 |
| 1982..... | 5 663 | 18 687 | 8 255 | 10 707 | 15 939 | 930 | • | 9 268 |
| 1983..... | 6 137 | 35 133 | 8 049 | 14 657 | 17 045 | 571 | • | 22 496 |
| 1984..... | 5 661 | 33 969 | 11 692 | 11 521 | 18 716 | 2 507 | • | 16 675 |
| 1985..... | 4 772 | 48 716 | 26 196 | 13 760 | 20 155 | 2 562 | 23 816 | 21 349 |
| 1986..... | 4 675 | 31 189 | 42 875 | 23 880 | 21 339 | 767 | 7 907 | 50 990 |
| 1987..... | 4 858 | 59 511 | 18 319 | 24 189 | 22 809 | 1 403 | — | 59 971 |
| 1988..... | 4 595 | 71 644 | 1 712 | 26 911 | 23 870 | 7 865 | • | 44 138 |
| 1989..... | 4 340 | 40 564 | 19 536 | 32 431 | 25 045 | 8 977 | • | 34 504 |
| 1990..... | 3 720 | 59 599 | 6 246 | 37 717 | 26 983 | 13 114 | • | 38 405 |
| 1991..... | 3 464 | 41 099 | 5 320 | 44 361 | 28 211 | 18 125 | • | 16 010 |
| 1990 March..... | 4 377 | 54 938 | 6 399 | 33 077 | 24 046 | 9 677 | • | 35 765 |
| June..... | 4 463 | 57 719 | 5 721 | 35 489 | 26 460 | 11 528 | • | 34 714 |
| Sept..... | 4 542 | 60 758 | 2 392 | 39 713 | 24 933 | 15 873 | • | 35 333 |
| Dec..... | 4 505 | 61 961 | 6 290 | 38 133 | 26 983 | 13 170 | • | 38 405 |
| 1991 Jan..... | 3 758 | 56 266 | 6 391 | 36 610 | 25 255 | 12 064 | • | 35 795 |
| Feb..... | 3 764 | 54 254 | 6 337 | 36 496 | 25 277 | 10 270 | • | 34 932 |
| March..... | 3 769 | 54 292 | 4 449 | 37 989 | 26 736 | 11 524 | • | 32 724 |
| April..... | 3 790 | 54 608 | 3 125 | 30 977 | 28 092 | 6 721 | • | 27 268 |
| May..... | 3 795 | 53 933 | 3 291 | 31 977 | 26 796 | 11 242 | • | 24 015 |
| June..... | 3 796 | 51 566 | 3 802 | 33 425 | 27 486 | 20 910 | • | 13 117 |
| July..... | 3 866 | 48 218 | 4 482 | 32 248 | 27 173 | 15 561 | • | 14 347 |
| Aug..... | 3 856 | 46 937 | 4 467 | 32 266 | 26 678 | 11 948 | • | 16 959 |
| Sept..... | 3 858 | 47 278 | 4 030 | 34 900 | 26 186 | 16 306 | • | 15 782 |
| Oct..... | 3 773 | 44 541 | 4 583 | 28 783 | 26 188 | 16 946 | • | 6 179 |
| Nov..... | 3 772 | 43 281 | 5 119 | 31 616 | 26 624 | 14 166 | • | 10 318 |
| Dec..... | 3 772 | 38 709 | 5 302 | 42 699 | 28 208 | 18 122 | • | 11 425 |
| 1992 Jan..... | 3 539 | 40 473 | 23 345 | 32 896 | 26 339 | 14 400 | • | 21 797 |
| Feb..... | 3 540 | 40 083 | 11 213 | 31 793 | 25 887 | 2 289 | • | 20 594 |
| March..... | 3 543 | 38 373 | 4 644 | 33 761 | 25 780 | 11 426 | • | 10 033 |
| April..... | 3 493 | 41 807 | 10 674 | 29 954 | 27 362 | 3 533 | 22 414 | - 1 401 |
| May..... | 3 494 | 42 823 | 16 644 | 30 921 | 27 203 | 4 954 | 15 135 | 12 785 |
| June..... | 3 495 | 40 162 | 26 291 | 33 430 | 27 610 | 2 687 | 22 980 | 16 097 |
| July..... | 3 577 | 41 340 | 26 052 | 31 326 | 27 313 | 2 169 | 29 143 | 8 954 |
| Aug..... | 3 578 | 41 483 | 25 379 | 31 662 | 26 524 | 2 797 | 29 679 | 8 297 |
| Sept..... | 3 580 | 33 851 | 18 052 | 32 497 | 26 545 | 6 207 | 1 328 | 19 088 |
| Oct..... | 3 627 | 54 642 | 26 946 | 32 506 | 26 590 | 8 964 | 17 749 | 27 946 |
| Nov..... | 3 628 | 43 792 | 28 663 | 32 778 | 26 718 | 2 375 | 25 683 | 19 098 |
| Dec..... | 3 630 | 39 805 | 29 131 | 32 280 | 28 020 | 4 802 | 5 743 | 31 269 |

¹⁾ The year-end figures are from the annual statements, while monthly figures are from the monthly balance sheets.

²⁾ Denmark's international liquidity is specified on p. 6.

³⁾ The banks' balances with the Nationalbank are specified on p. 20.

⁴⁾ Including lending concerning decentralized bank-note holdings.

⁵⁾ In the period as from 1989 until end-1991 including bonds acquired in connection with bond-repurchase agreements.

⁶⁾ In the period as from 1989 until end-1991 including bond-repurchase accounts.

Exchange rates

| | Average | High | Low | Average | High | Low | Average | High | Low |
|-----------------------------|------------------------|---------|---------|----------------------|--------|--------|----------------------|--------|--------|
| Danish kroner per 100 units | | | | | | | | | |
| | ECUs (XEU) | | | SDRs (XDR) | | | US dollars (USD) | | |
| 1988..... | 795.25 | 804.00 | 787.30 | 904.56 | 940.47 | 863.19 | 674.19 | 732.40 | 609.40 |
| 1989..... | 804.55 | 812.90 | 784.30 | 936.69 | 971.06 | 864.95 | 731.51 | 793.25 | 653.25 |
| 1990..... | 787.37 | 798.00 | 778.15 | 838.80 | 873.45 | 817.14 | 618.53 | 667.60 | 563.60 |
| 1991..... | 791.55 | 797.40 | 785.15 | 874.70 | 929.13 | 814.57 | 640.34 | 711.75 | 560.20 |
| 1992..... | 779.97 | 794.81 | 750.66 | 848.77 | 884.57 | 799.77 | 602.73 | 651.40 | 539.10 |
| 1991 4th qtr.. | 791.66 | 794.35 | 788.97 | 874.53 | 898.11 | 843.47 | 632.71 | 664.25 | 588.85 |
| 1992 1st qtr.. | 792.32 | 794.55 | 789.34 | 871.79 | 884.57 | 843.58 | 628.10 | 651.40 | 588.35 |
| 2nd „ . | 792.25 | 794.81 | 787.09 | 866.75 | 880.82 | 839.29 | 623.29 | 645.00 | 585.75 |
| 3rd „ . | 780.54 | 787.91 | 752.72 | 820.41 | 839.81 | 801.45 | 565.03 | 586.05 | 539.10 |
| 4th „ . | 755.91 | 763.11 | 750.66 | 838.72 | 861.53 | 799.77 | 597.59 | 625.55 | 544.35 |
| Oct..... | 754.06 | 758.27 | 750.66 | 819.35 | 834.05 | 799.77 | 571.07 | 592.85 | 544.35 |
| Nov.... | 755.99 | 763.07 | 752.15 | 847.43 | 861.53 | 832.38 | 610.83 | 624.50 | 594.15 |
| Dec..... | 757.78 | 763.11 | 753.23 | 850.30 | 860.63 | 840.14 | 612.15 | 625.55 | 599.30 |
| | Pounds sterling (GBP) | | | D-marks (DEM) | | | Swedish kronor (SEK) | | |
| 1988..... | 1197.70 | 1247.00 | 1135.70 | 383.34 | 386.88 | 379.35 | 109.84 | 112.65 | 105.27 |
| 1989..... | 1197.53 | 1275.45 | 1060.25 | 388.84 | 390.16 | 385.94 | 113.40 | 116.10 | 105.96 |
| 1990..... | 1102.04 | 1160.70 | 1039.50 | 382.89 | 389.70 | 379.75 | 104.50 | 106.91 | 101.96 |
| 1991..... | 1128.13 | 1148.00 | 1103.84 | 385.67 | 389.68 | 381.84 | 105.72 | 107.57 | 102.41 |
| 1992..... | 1062.91 | 1139.57 | 920.34 | 386.53 | 390.04 | 383.13 | 103.94 | 107.46 | 86.28 |
| 1991 4th qtr.. | 1118.97 | 1130.83 | 1103.84 | 387.79 | 389.68 | 385.22 | 106.20 | 106.70 | 105.71 |
| 1992 1st qtr.. | 1111.56 | 1118.18 | 1100.38 | 387.90 | 389.16 | 387.15 | 106.78 | 107.12 | 106.37 |
| 2nd „ . | 1126.26 | 1139.57 | 1100.21 | 386.30 | 388.22 | 383.97 | 106.99 | 107.46 | 106.33 |
| 3rd „ . | 1076.01 | 1115.52 | 971.41 | 385.94 | 390.04 | 384.34 | 105.60 | 106.47 | 103.05 |
| 4th „ . | 943.34 | 977.69 | 920.34 | 386.00 | 389.52 | 383.13 | 96.63 | 103.06 | 86.28 |
| Oct..... | 947.25 | 977.69 | 925.73 | 386.02 | 389.52 | 384.39 | 102.34 | 103.06 | 101.90 |
| Nov.... | 933.26 | 945.82 | 920.34 | 384.96 | 389.39 | 383.13 | 98.43 | 102.10 | 90.29 |
| Dec..... | 949.33 | 968.32 | 934.89 | 387.03 | 389.42 | 385.01 | 88.87 | 90.63 | 86.28 |
| | Norwegian kroner (NOK) | | | French francs (FRF) | | | Belgian francs (BEF) | | |
| 1988..... | 103.29 | 105.45 | 98.33 | 113.02 | 113.93 | 112.22 | 18.315 | 18.480 | 18.125 |
| 1989..... | 105.87 | 108.34 | 99.83 | 114.61 | 115.48 | 113.05 | 18.559 | 18.640 | 18.410 |
| 1990..... | 98.85 | 100.80 | 97.60 | 113.65 | 114.33 | 113.00 | 18.523 | 18.715 | 18.398 |
| 1991..... | 98.64 | 99.27 | 98.10 | 113.41 | 114.15 | 112.61 | 18.734 | 18.914 | 18.565 |
| 1992..... | 97.15 | 99.12 | 89.23 | 114.02 | 115.14 | 112.75 | 18.775 | 18.913 | 18.631 |
| 1991 4th qtr.. | 98.77 | 99.06 | 98.42 | 113.58 | 114.05 | 113.07 | 18.828 | 18.914 | 18.706 |
| 1992 1st qtr.. | 98.83 | 98.98 | 98.58 | 113.98 | 114.55 | 113.64 | 18.844 | 18.903 | 18.815 |
| 2nd „ . | 98.80 | 99.12 | 98.14 | 114.62 | 115.14 | 114.13 | 18.772 | 18.866 | 18.656 |
| 3rd „ . | 97.53 | 98.19 | 95.40 | 113.86 | 114.57 | 113.29 | 18.729 | 18.888 | 18.672 |
| 4th „ . | 93.56 | 95.26 | 89.23 | 113.69 | 114.76 | 112.75 | 18.755 | 18.913 | 18.631 |
| Oct..... | 94.60 | 95.24 | 94.23 | 113.77 | 114.61 | 113.30 | 18.741 | 18.875 | 18.668 |
| Nov.... | 94.44 | 95.26 | 94.15 | 113.80 | 114.76 | 113.26 | 18.715 | 18.913 | 18.631 |
| Dec..... | 91.60 | 95.03 | 89.23 | 113.50 | 114.16 | 112.75 | 18.811 | 18.911 | 18.705 |
| | Swiss francs (CHF) | | | Dutch guilders (NLG) | | | Italian lire (ITL) | | |
| 1988..... | 460.23 | 475.25 | 452.06 | 340.61 | 344.05 | 336.20 | 0.5173 | 0.5258 | 0.5110 |
| 1989..... | 447.24 | 458.48 | 426.70 | 344.71 | 345.88 | 341.94 | 0.5330 | 0.5421 | 0.5193 |
| 1990..... | 446.16 | 472.20 | 424.20 | 339.84 | 345.17 | 337.39 | 0.5163 | 0.5214 | 0.5086 |
| 1991..... | 446.30 | 462.80 | 436.49 | 342.26 | 345.72 | 339.00 | 0.5158 | 0.5202 | 0.5113 |
| 1992..... | 429.85 | 449.14 | 416.42 | 343.29 | 346.21 | 340.58 | 0.4911 | 0.5176 | 0.4054 |
| 1991 4th qtr.. | 439.88 | 443.46 | 436.49 | 344.13 | 345.72 | 341.86 | 0.5156 | 0.5186 | 0.5135 |
| 1992 1st qtr.. | 431.77 | 438.58 | 424.83 | 344.57 | 345.48 | 344.11 | 0.5157 | 0.5176 | 0.5135 |
| 2nd „ . | 422.26 | 428.93 | 416.42 | 343.07 | 344.82 | 340.77 | 0.5123 | 0.5158 | 0.5078 |
| 3rd „ . | 433.34 | 449.14 | 424.45 | 342.41 | 346.19 | 340.96 | 0.4990 | 0.5095 | 0.4440 |
| 4th „ . | 431.20 | 445.63 | 419.87 | 343.14 | 346.21 | 340.58 | 0.4391 | 0.4497 | 0.4054 |
| Oct..... | 435.30 | 445.63 | 430.29 | 342.93 | 345.71 | 341.56 | 0.4364 | 0.4493 | 0.4054 |
| Nov.... | 427.44 | 433.02 | 419.87 | 342.22 | 346.18 | 340.58 | 0.4477 | 0.4497 | 0.4413 |
| Dec..... | 430.67 | 435.94 | 425.93 | 344.27 | 346.21 | 342.36 | 0.4333 | 0.4412 | 0.4234 |

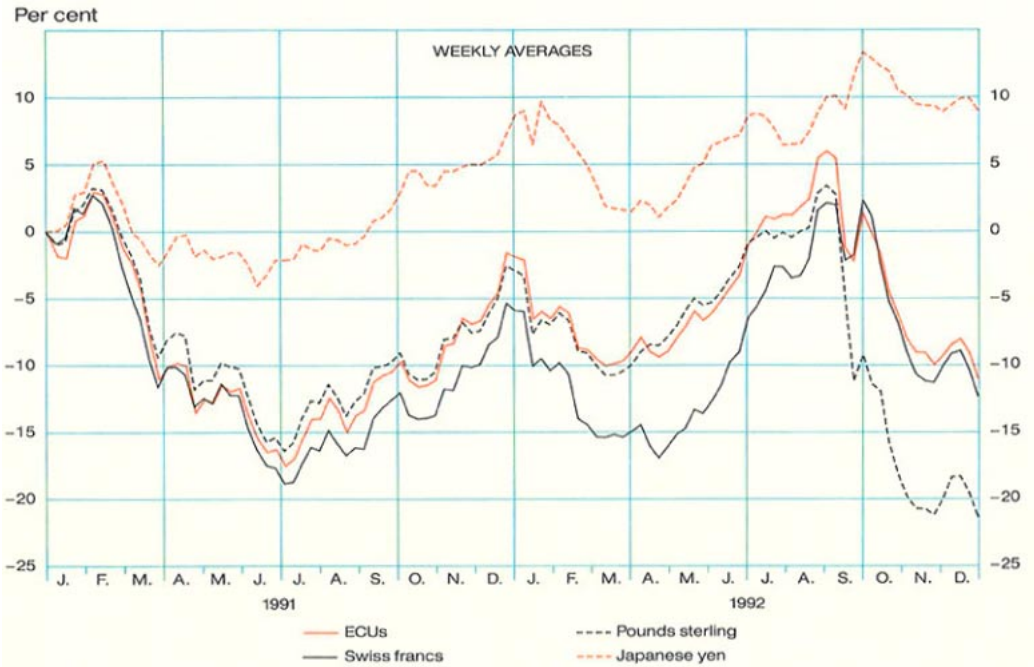
Note: Apart from SDRs, the exchange rates listed are until end-3rd quarter of 1991 middle rates listed in Copenhagen, and thereafter fixed on the basis of market rates. The SDR rate is calcu-

lated on the basis of the middle/market rates of the basket of currencies.

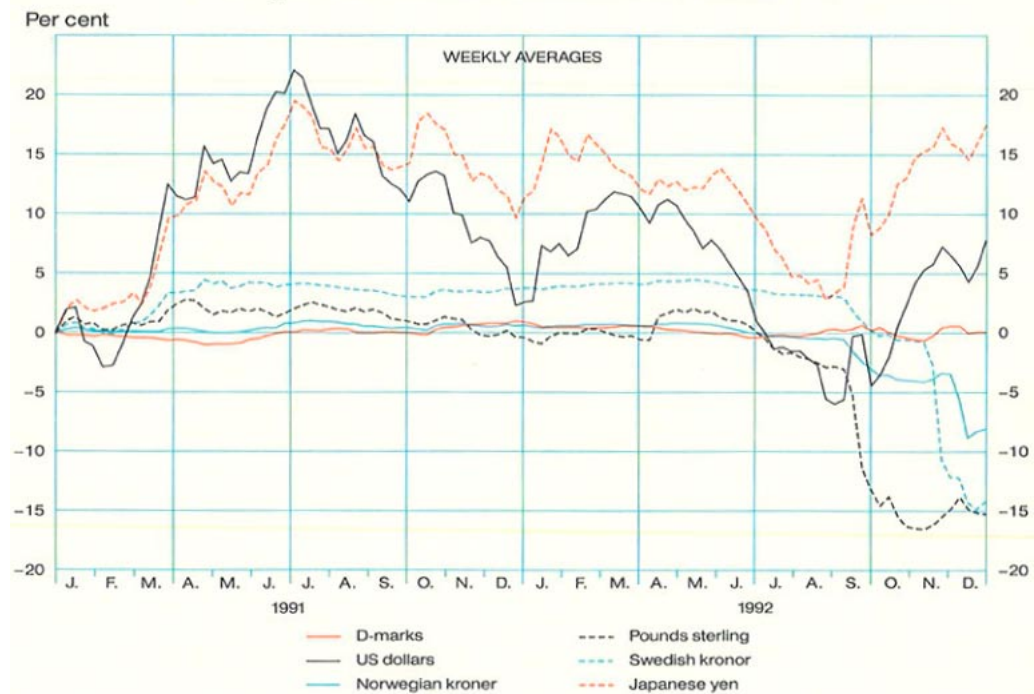
Exchange rates

| | Average | High | Low | Average | High | Low | Average | High | Low |
|-----------------------------|---------------------------------|--------|--------|----------------------------------|---------|---------|----------------------------------|--------|--------|
| Danish kroner per 100 units | | | | | | | | | |
| | <i>Finnish marks (FIM)</i> | | | <i>Iceland kroner (ISK)</i> | | | <i>Austrian schillings (ATS)</i> | | |
| 1988..... | 160.88 | 165.20 | 155.60 | 15.76 | 17.50 | 14.65 | 54.526 | 54.990 | 53.935 |
| 1989..... | 170.46 | 175.38 | 162.75 | 12.92 | 14.95 | 10.85 | 55.257 | 55.470 | 54.890 |
| 1990..... | 161.89 | 164.84 | 159.28 | 10.65 | 10.95 | 10.45 | 54.420 | 55.410 | 53.980 |
| 1991..... | 158.32 | 164.60 | 139.56 | 10.87 | 11.20 | 10.45 | 54.811 | 55.358 | 54.260 |
| 1992..... | 135.08 | 143.49 | 116.84 | 10.47 | 10.85 | 9.66 | 54.928 | 55.430 | 54.456 |
| 1991 4th qtr.. | 150.86 | 160.01 | 139.56 | 10.80 | 10.97 | 10.56 | 55.113 | 55.358 | 54.742 |
| 1992 1st qtr.. | 142.26 | 143.49 | 141.58 | 10.76 | 10.85 | 10.61 | 55.122 | 55.289 | 55.022 |
| 2nd " " | 141.87 | 142.43 | 140.56 | 10.72 | 10.82 | 10.54 | 54.891 | 55.155 | 54.551 |
| 3rd " " | 136.11 | 141.22 | 120.58 | 10.40 | 10.55 | 10.12 | 54.840 | 55.430 | 54.591 |
| 4th " " | 120.65 | 122.72 | 116.84 | 10.04 | 10.44 | 9.66 | 54.864 | 55.365 | 54.456 |
| Oct..... | 121.67 | 122.72 | 120.98 | 10.20 | 10.34 | 10.11 | 54.869 | 55.365 | 54.628 |
| Nov..... | 121.07 | 121.96 | 118.29 | 10.17 | 10.44 | 9.75 | 54.715 | 55.346 | 54.456 |
| Dec..... | 119.22 | 121.08 | 116.84 | 9.74 | 9.80 | 9.66 | 55.007 | 55.347 | 54.721 |
| | <i>Spanish pesetas (ESP)</i> | | | <i>Portuguese escudos (PTE)</i> | | | <i>Canadian dollars (CAD)</i> | | |
| 1988..... | 5.782 | 6.060 | 5.640 | 4.677 | 4.725 | 4.625 | 548.54 | 602.00 | 469.50 |
| 1989..... | 6.177 | 6.285 | 6.000 | 4.645 | 4.760 | 4.400 | 617.96 | 659.55 | 563.80 |
| 1990..... | 6.074 | 6.226 | 5.930 | 4.341 | 4.415 | 4.292 | 530.19 | 574.30 | 484.35 |
| 1991..... | 6.157 | 6.220 | 6.043 | 4.429 | 4.521 | 4.290 | 559.29 | 622.45 | 483.90 |
| 1992..... | 5.905 | 6.190 | 5.335 | 4.471 | 4.652 | 4.260 | 499.19 | 547.65 | 434.37 |
| 1991 4th qtr.. | 6.121 | 6.182 | 6.065 | 4.446 | 4.515 | 4.346 | 556.88 | 590.81 | 507.45 |
| 1992 1st qtr.. | 6.147 | 6.190 | 6.087 | 4.497 | 4.511 | 4.425 | 533.61 | 547.65 | 511.66 |
| 2nd " " | 6.150 | 6.189 | 6.082 | 4.604 | 4.652 | 4.496 | 522.18 | 546.56 | 489.93 |
| 3rd " " | 5.942 | 6.088 | 5.511 | 4.476 | 4.608 | 4.335 | 470.48 | 487.81 | 436.20 |
| 4th " " | 5.403 | 5.503 | 5.335 | 4.321 | 4.381 | 4.260 | 473.75 | 494.42 | 434.37 |
| Oct..... | 5.421 | 5.503 | 5.379 | 4.332 | 4.381 | 4.303 | 458.65 | 478.15 | 434.37 |
| Nov..... | 5.371 | 5.419 | 5.335 | 4.316 | 4.351 | 4.289 | 481.81 | 487.19 | 476.14 |
| Dec..... | 5.416 | 5.462 | 5.365 | 4.314 | 4.362 | 4.260 | 480.80 | 494.42 | 468.97 |
| | <i>Japanese yen (JPY)</i> | | | <i>Irish pounds (IEP)</i> | | | <i>Greek drachmas (GRD)</i> | | |
| 1988..... | 5.2567 | 5.5225 | 4.9080 | 1025.41 | 1035.00 | 1016.10 | 4.752 | 4.840 | 4.620 |
| 1989..... | 5.3079 | 5.6915 | 4.5960 | 1036.38 | 1043.10 | 1023.00 | 4.506 | 4.690 | 4.185 |
| 1990..... | 4.2846 | 4.6155 | 3.9820 | 1023.56 | 1032.25 | 1019.00 | 3.907 | 4.175 | 3.680 |
| 1991..... | 4.7604 | 5.1285 | 4.2700 | 1030.27 | 1038.91 | 1021.65 | 3.514 | 3.675 | 3.371 |
| 1992..... | 4.7606 | 5.0294 | 4.3516 | 1026.49 | 1036.16 | 1011.31 | 3.167 | 3.373 | 2.902 |
| 1991 4th qtr.. | 4.8813 | 5.0619 | 4.6567 | 1035.30 | 1038.91 | 1030.05 | 3.430 | 3.476 | 3.371 |
| 1992 1st qtr.. | 4.8854 | 5.0165 | 4.7219 | 1034.18 | 1036.16 | 1032.05 | 3.358 | 3.373 | 3.340 |
| 2nd " " | 4.7827 | 4.8749 | 4.6579 | 1031.10 | 1034.60 | 1023.97 | 3.252 | 3.340 | 3.156 |
| 3rd " " | 4.5259 | 4.8213 | 4.3516 | 1023.91 | 1031.56 | 1014.21 | 3.113 | 3.160 | 3.013 |
| 4th " " | 4.8580 | 5.0294 | 4.5572 | 1017.30 | 1027.12 | 1011.31 | 2.956 | 3.011 | 2.902 |
| Oct..... | 4.7137 | 4.8364 | 4.5572 | 1014.60 | 1020.55 | 1011.31 | 2.976 | 3.011 | 2.962 |
| Nov..... | 4.9320 | 5.0294 | 4.8109 | 1015.85 | 1021.86 | 1011.36 | 2.963 | 2.990 | 2.951 |
| Dec..... | 4.9352 | 5.0165 | 4.8562 | 1021.57 | 1027.12 | 1015.64 | 2.928 | 2.971 | 2.902 |
| | <i>Australian dollars (AUD)</i> | | | <i>New Zealand dollars (NZD)</i> | | | | | |
| 1988..... | • | • | • | • | • | • | | | |
| 1989..... | • | • | • | • | • | • | | | |
| 1990..... | • | • | • | • | • | • | | | |
| 1991..... | • | • | • | • | • | • | | | |
| 1992..... | 443.10 | 494.95 | 385.46 | 324.29 | 357.72 | 290.22 | | | |
| 1991 4th qtr.. | 495.32 | 524.60 | 448.11 | 353.88 | 373.43 | 319.41 | | | |
| 1992 1st qtr.. | 472.97 | 494.95 | 445.31 | 341.65 | 357.72 | 317.49 | | | |
| 2nd " " | 472.70 | 493.03 | 437.89 | 336.66 | 350.15 | 319.13 | | | |
| 3rd " " | 413.03 | 435.12 | 385.46 | 306.47 | 318.93 | 290.22 | | | |
| 4th " " | 417.43 | 430.97 | 389.65 | 314.09 | 323.12 | 295.27 | | | |
| Oct..... | 408.57 | 424.07 | 389.65 | 308.25 | 319.78 | 295.27 | | | |
| Nov..... | 421.58 | 428.53 | 410.32 | 318.10 | 323.12 | 311.22 | | | |
| Dec..... | 422.14 | 430.97 | 413.52 | 315.91 | 321.85 | 311.04 | | | |

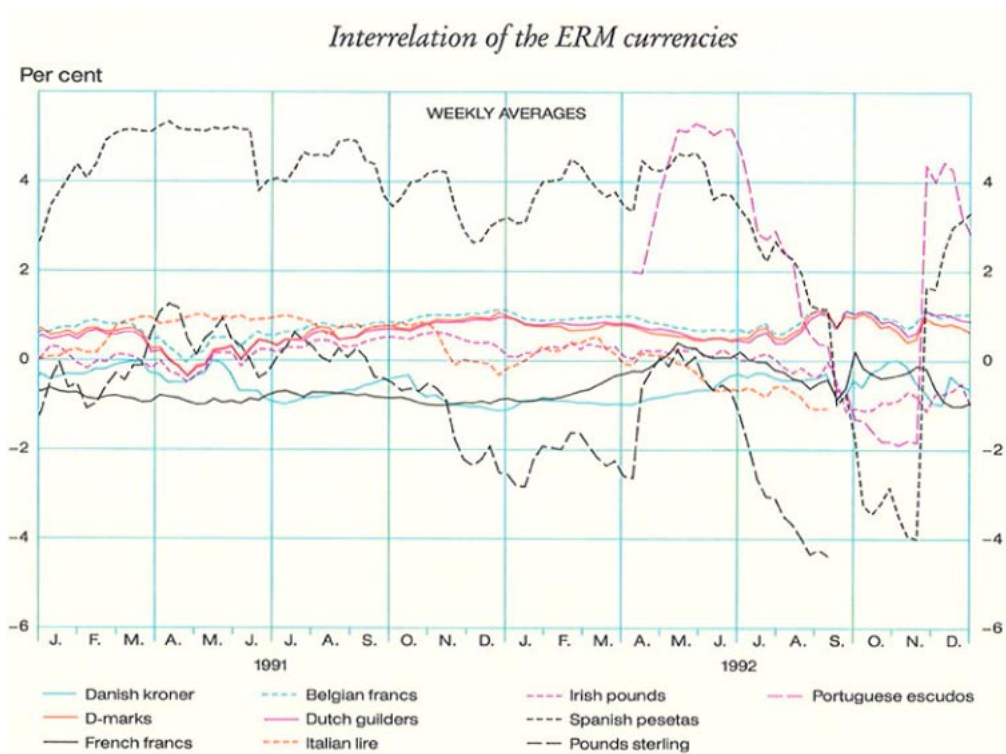
Exchange-rate movements in relation to the dollar



Exchange-rate movements in relation to the Danish krone



Note: The figures show the percentage change since December 31, 1990 in the rate of the relevant currencies, expressed in dollars and kroner, respectively.



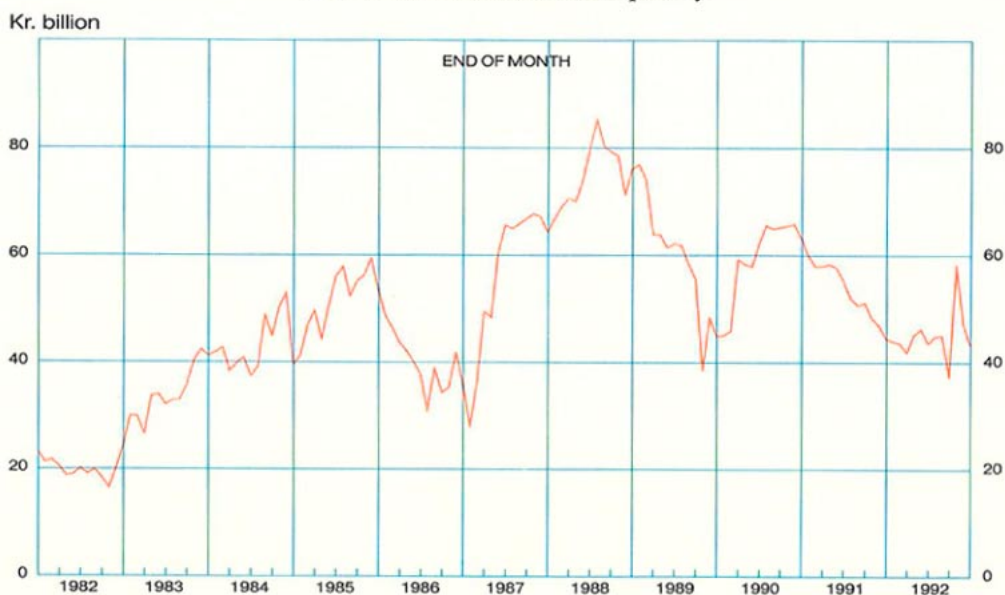
Note: The figure shows the placement of the ERM currencies in relation to the middle of the ERM currencies which have fluctuation limits of 2¼ per cent. The Spanish peseta and the Portuguese escudo, which have participated in the Exchange-Rate Mechanism since June 1989 and April 1992, respectively, have fluctuation limits of 6 per cent. As from September 17, 1992 intervention obligation for the pound sterling and the Italian lira has been suspended.

The effective krone rate



Note: A downward change in the index reflects a fall in the value of the krone. The index is calculated on the basis of international trade in manufactures. Until end-1991 on the basis of trade in 1983, and thereafter on the basis of trade in 1989. The average index was: 1990 96.3, 1991 94.6 and 1992 96.9. Particulars on the method of calculation are obtainable on request to Danmarks Nationalbank, Economics and Statistics Department.

Denmark's international liquidity



| End of period ¹⁾ | Stock of gold | Foreign assets | European Currency Units | Special Drawing Rights | Reserve position in IMF ²⁾ | Denmark's international liquidity (gross) | Foreign liabilities | Denmark's international liquidity (net) ³⁾ |
|-----------------------------|---------------|----------------|-------------------------|------------------------|---------------------------------------|---|---------------------|---|
| | Kr. million | | | | | | | |
| 1981..... | 4 759 | 14 283 | 2 077 | 1 471 | 898 | 23 488 | 350 | 23 138 |
| 1982..... | 5 663 | 14 796 | 2 035 | 1 631 | 923 | 25 048 | 698 | 24 350 |
| 1983..... | 6 137 | 27 569 | 4 805 | 1 227 | 2 120 | 41 858 | 588 | 41 270 |
| 1984..... | 5 661 | 27 190 | 3 234 | 1 747 | 2 368 | 40 200 | 570 | 39 630 |
| 1985..... | 4 772 | 41 328 | 4 194 | 1 759 | 2 040 | 54 093 | 605 | 53 488 |
| 1986..... | 4 675 | 33 562 | 392 | 1 862 | 1 143 | 41 634 | 5 770 | 35 864 |
| 1987..... | 4 858 | 54 078 | 3 777 | 1 301 | 1 065 | 65 079 | 710 | 64 369 |
| 1988..... | 4 595 | 59 063 | 10 454 | 1 542 | 2 167 | 77 821 | 1 582 | 76 239 |
| 1989..... | 4 340 | 33 180 | 4 625 | 1 850 | 2 213 | 46 208 | 1 304 | 44 904 |
| 1990..... | 3 720 | 52 707 | 5 200 | 1 246 | 1 807 | 64 680 | 1 361 | 63 319 |
| 1991..... | 3 464 | 38 588 | 2 814 | 1 430 | 2 155 | 48 451 | 3 888 | 44 563 |
| 1991 Oct..... | 3 773 | 39 824 | 2 919 | 1 340 | 2 006 | 49 862 | 1 548 | 48 314 |
| Nov. | 3 772 | 37 955 | 2 920 | 1 367 | 2 113 | 48 127 | 1 074 | 47 053 |
| Dec..... | 3 772 | 36 214 | 2 921 | 1 367 | 2 100 | 46 374 | 3 893 | 42 481 |
| 1992 Jan. | 3 539 | 35 607 | 2 387 | 1 335 | 2 155 | 45 023 | 1 011 | 44 012 |
| Feb. | 3 540 | 34 864 | 2 624 | 1 357 | 2 179 | 44 564 | 941 | 43 623 |
| March .. | 3 543 | 32 640 | 3 413 | 1 357 | 2 180 | 43 133 | 1 217 | 41 916 |
| April ... | 3 493 | 36 585 | 3 336 | 1 318 | 2 267 | 46 999 | 1 699 | 45 300 |
| May | 3 494 | 37 182 | 3 336 | 1 340 | 2 183 | 47 535 | 1 218 | 46 317 |
| June | 3 495 | 34 712 | 3 337 | 1 340 | 2 144 | 45 028 | 1 371 | 43 657 |
| July | 3 577 | 36 187 | 2 983 | 1 340 | 2 163 | 46 250 | 1 333 | 44 917 |
| Aug. ... | 3 578 | 35 941 | 2 984 | 1 359 | 2 229 | 46 091 | 1 030 | 45 061 |
| Sept. ... | 3 580 | 40 674 | 2 988 | 1 359 | 2 210 | 50 811 | 13 380 | 37 431 |
| Oct..... | 3 627 | 50 460 | 2 725 | 1 359 | 2 168 | 60 339 | 2 070 | 58 269 |
| Nov. | 3 628 | 49 365 | 2 724 | 803 | 2 888 | 59 408 | 11 988 | 47 420 |
| Dec..... | 3 630 | 62 416 | 2 725 | 557 | 2 888 | 72 216 | 28 781 | 43 435 |

¹⁾ The year-end figures are from the annual statements, while monthly figures are from the monthly balance sheets.

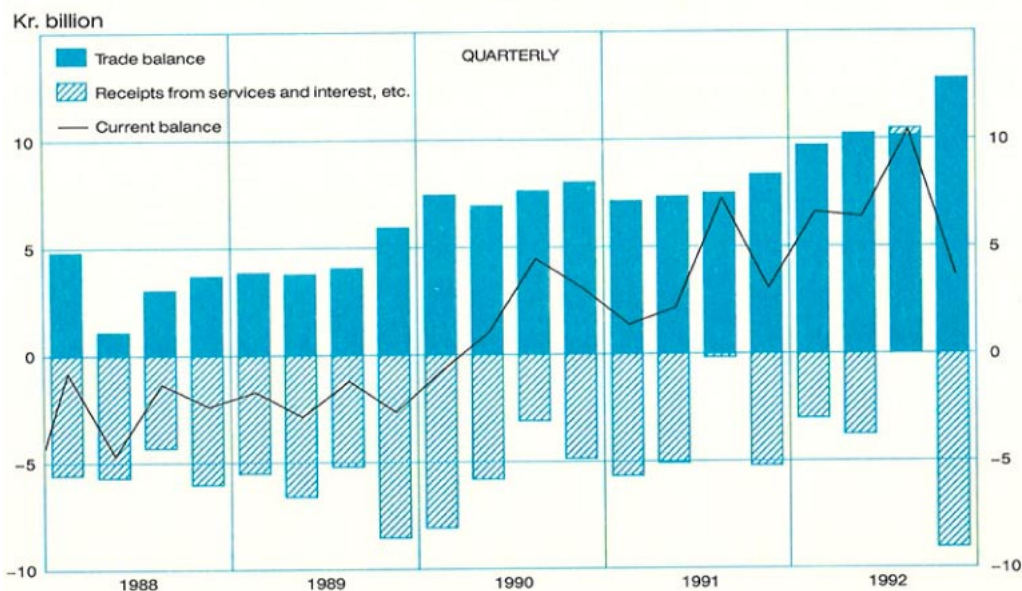
²⁾ Denmark's quota less IMF holdings of Danish kroner.

³⁾ As a result of exchange-rate adjustments Denmark's international liquidity increased by kr.2,556 million in 1981, by kr.3,436 mil-

lion in 1982, by kr.4,471 million in 1983, by kr.2,214 million in 1984, declined by kr.3,274 million in 1985, by kr.807 million in 1986, by kr.1,501 million in 1987, increased by kr.3,178 million in 1988, declined by kr.3,675 million in 1989, by kr.3,147 million in 1990 and increased by kr.2,082 million in December 1991.

Balance of payments

7



| | Trade balance ¹⁾ | Shipping (net) | Foreign travel (net) | Interest, dividends, etc. (net) | Other current transactions ²⁾ (net) | Current balance | Recorded capital flows ³⁾ | Unrecorded capital flows ⁴⁾ | Changes in Denmark's international liquidity |
|----------------|-----------------------------|----------------|----------------------|---------------------------------|--|-----------------|---|--|--|
| | | | | | | | —=increase in liabilities or decrease in assets | | |
| Kkr. billion | | | | | | | | | |
| 1983..... | 2.2 | 4.4 | 0.9 | - 18.9 | - 1.3 | - 12.8 | - 27.6 | 2.4 | 12.4 |
| 1984..... | - 2.0 | 3.4 | 0.7 | - 24.2 | 4.4 | - 17.8 | - 19.3 | 5.4 | - 3.9 |
| 1985..... | - 7.9 | 2.5 | - 0.9 | - 27.0 | 4.5 | - 28.8 | - 50.5 | 4.5 | 17.1 |
| 1986..... | - 8.5 | 0.7 | - 2.9 | - 28.0 | 2.4 | - 36.3 | - 25.3 | 5.8 | - 16.8 |
| 1987..... | 5.5 | - 0.4 | - 4.4 | - 28.2 | 7.1 | - 20.3 | - 51.6 | 1.2 | 30.0 |
| 1988..... | 12.6 | 0.2 | - 4.8 | - 28.2 | 11.2 | - 8.9 | - 23.3 | 5.6 | 8.7 |
| 1989..... | 17.6 | 1.1 | - 4.5 | - 31.6 | 9.3 | - 8.2 | 13.6 | 5.9 | - 27.7 |
| 1990..... | 30.0 | 2.4 | - 2.2 | - 34.9 | 12.9 | 8.2 | - 31.8 | 18.5 | 21.6 |
| 1991..... | 30.3 | 2.4 | 0.6 | - 35.6 | 16.4 | 14.2 | 25.8 | 9.2 | - 20.8 |
| 1992..... | 42.9 | 1.5 | 0.0 | - 34.7 | 17.7 | 27.4 | 16.3 | 12.2 | - 1.1 |
| 1991 3rd qtr.. | 7.5 | 0.8 | 1.4 | - 7.0 | 4.6 | 7.3 | 9.6 | 2.0 | - 4.2 |
| 4th „ . | 8.4 | 0.7 | 0.0 | - 9.7 | 3.8 | 3.1 | 6.4 | 5.4 | - 8.7 |
| 1992 1st qtr.. | 9.7 | 0.4 | - 1.2 | - 7.0 | 4.8 | 6.7 | 3.1 | 6.2 | - 2.6 |
| 2nd „ . | 10.2 | 0.0 | 0.1 | - 8.4 | 4.6 | 6.5 | 4.3 | 0.4 | 1.7 |
| 3rd „ . | 10.1 | 0.4 | 1.5 | - 5.0 | 3.5 | 10.5 | 18.4 | - 1.7 | - 6.2 |
| 4th „ . | 12.8 | 0.7 | - 0.4 | - 14.2 | 4.9 | 3.8 | - 9.5 | 7.3 | 6.0 |

Note: Figures for the most recent quarters are usually subject to revision.

¹⁾ Unlike the foreign-trade statistics, the balance of payments is calculated as "general trade", including transit trade. The statistics comprise the Kingdom as a whole, thus also reflecting the foreign trade of the Faroe Islands and Greenland, but excluding trade between Denmark proper, the Faroe Islands and Greenland. Both exports and imports are calculated fob.

²⁾ Including support received from the EEC's Agricultural Fund (EAGGF) and Denmark's contributions to the budget of the EEC.

³⁾ Recorded capital payments from and to foreign countries are specified on p. 8.

⁴⁾ Including errors and omissions.

Recorded capital payments from and to foreign countries

| | Public sector ¹⁾ | Private sector | | | | | | | Recorded capital payments, total | |
|--------------------|-----------------------------|----------------------------------|---------------|-------------------------------------|------------------------------------|---------------------|-----------------------|--|----------------------------------|---------|
| | | Direct investments ²⁾ | | Portfolio investments ³⁾ | Borrowing | | Lending ²⁾ | The banks' external position ⁴⁾ | | Total |
| | | Inward | Outward | | Business enterprises ²⁾ | Private individuals | | | | |
| | | Kr. billion | | | | | | | | |
| Income | | | | | | | | | | |
| 1983 | 51.0 | 2.1 | 1.2 | 15.9 | 84.8 | 0.6 | 5.2 | • | 109.9 | 160.9 |
| 1984 | 66.9 | 2.5 | 0.4 | 30.1 | 161.5 | 0.5 | 7.0 | • | 201.9 | 268.8 |
| 1985 | 68.3 | 3.1 | 0.9 | 85.9 | 193.3 | 0.4 | 8.0 | • | 291.6 | 359.9 |
| 1986 | 106.1 | 4.9 | 0.6 | 111.0 | 224.9 | 0.3 | 9.0 | • | 350.7 | 456.7 |
| 1987 | 62.0 | 4.5 | 1.4 | 160.5 | 227.8 | 0.3 | 9.7 | • | 404.2 | 466.2 |
| 1988 | 44.1 | 5.8 | 0.7 | 181.7 | 187.9 | 1.5 | 17.4 | • | 395.0 | 439.1 |
| 1989 | 43.7 | 13.6 | 1.3 | 136.7 | 167.8 | 6.3 | 25.4 | • | 351.0 | 394.7 |
| 1990 | 57.4 | 11.7 | 1.8 | 221.7 | 199.9 | 24.9 | 22.6 | • | 482.5 | 539.9 |
| 1991 | 35.9 | <u>11.1</u> | <u>2.3</u> | 375.1 | <u>196.3</u> | 31.6 | <u>29.7</u> | • | 646.0 | 681.9 |
| 1992 | 106.7 | 67.2 | 16.0 | 670.3 | 166.0 | 29.9 | 25.6 | • | 975.0 | 1 081.7 |
| 1991 3rd qtr. ... | 9.6 | 1.9 | 0.5 | 95.5 | 45.5 | 7.4 | 8.6 | • | 159.5 | 169.0 |
| 4th „ ... | 10.9 | <u>4.8</u> | <u>0.5</u> | 104.8 | <u>53.3</u> | 19.7 | <u>8.4</u> | • | 191.4 | 202.3 |
| 1992 1st qtr. ... | 28.7 | 32.2 | 2.9 | 130.2 | 45.7 | 10.1 | 5.4 | • | 226.5 | 255.1 |
| 2nd „ ... | 20.6 | 14.0 | 2.9 | 168.3 | 43.1 | 9.6 | 5.6 | • | 243.4 | 264.1 |
| 3rd „ ... | 24.6 | 9.8 | 3.6 | 151.5 | 40.6 | 5.0 | 6.7 | • | 217.2 | 241.8 |
| 4th „ ... | 32.8 | 11.2 | 6.6 | 220.3 | 36.6 | 5.2 | 8.0 | • | 287.9 | 320.7 |
| Expenditure | | | | | | | | | | |
| 1983 | 33.6 | 1.2 | 2.1 | 13.0 | 79.4 | 0.7 | 8.4 | • | 104.8 | 138.3 |
| 1984 | 72.6 | 2.4 | 3.0 | 22.7 | 139.7 | 0.6 | 9.7 | • | 178.1 | 250.7 |
| 1985 | 64.0 | 1.8 | 3.1 | 71.5 | 162.6 | 0.6 | 11.4 | • | 251.0 | 315.1 |
| 1986 | 69.3 | 3.6 | 5.0 | 128.0 | 213.5 | 0.9 | 10.0 | • | 361.0 | 430.3 |
| 1987 | 40.9 | 3.9 | 5.5 | 135.7 | 210.9 | 0.7 | 11.9 | • | 368.6 | 409.4 |
| 1988 | 50.0 | 2.4 | 5.5 | 174.6 | 166.2 | 0.8 | 21.4 | • | 370.9 | 420.9 |
| 1989 | 47.5 | 5.7 | 16.1 | 156.2 | 156.2 | 2.1 | 33.4 | • | 369.6 | 417.2 |
| 1990 | 49.0 | 4.2 | 11.1 | 204.4 | 177.4 | 22.0 | 30.1 | • | 449.2 | 498.2 |
| 1991 | 63.8 | <u>1.8</u> | <u>14.1</u> | 362.2 | <u>199.1</u> | 18.6 | <u>38.3</u> | • | 634.1 | 697.9 |
| 1992 | 96.5 | 61.0 | 29.4 | 614.3 | 183.1 | 40.7 | 24.7 | • | 953.1 | 1 049.6 |
| 1991 3rd qtr. ... | 15.5 | 0.7 | 2.9 | 89.0 | 45.3 | 3.8 | 7.7 | • | 149.4 | 164.9 |
| 4th „ ... | 18.8 | <u>0.2</u> | <u>6.0</u> | 111.3 | <u>59.7</u> | 10.0 | <u>14.4</u> | • | 201.7 | 220.5 |
| 1992 1st qtr. ... | 29.5 | 29.5 | 6.9 | 122.6 | 46.9 | 4.8 | 4.5 | • | 215.3 | 244.8 |
| 2nd „ ... | 24.3 | 12.5 | 5.3 | 145.5 | 51.3 | 6.2 | 4.7 | • | 225.6 | 249.8 |
| 3rd „ ... | 17.7 | 7.2 | 7.5 | 143.2 | 43.3 | 18.6 | 6.8 | • | 226.7 | 244.3 |
| 4th „ ... | 25.1 | 11.8 | 9.7 | 202.8 | 41.6 | 11.0 | 8.6 | • | 285.6 | 310.7 |
| Net income | | | | | | | | | | |
| 1983 | 17.4 | 0.9 | - 0.8 | 2.9 | 5.4 | - 0.1 | - 3.2 | 5.0 | 10.2 | 27.6 |
| 1984 | - 5.7 | 0.1 | - 2.6 | 7.4 | 21.8 | - 0.2 | - 2.7 | 1.1 | 25.0 | 19.3 |
| 1985 | 4.3 | 1.3 | - 2.2 | 14.3 | 30.7 | - 0.2 | - 3.4 | 5.6 | 46.2 | 50.5 |
| 1986 | 36.8 | 1.3 | - 4.4 | - 17.0 | 11.4 | - 0.6 | - 1.1 | - 1.1 | - 11.5 | 25.3 |
| 1987 | 21.1 | 0.6 | - 4.1 | 24.8 | 16.9 | - 0.4 | - 2.1 | - 5.2 | 30.5 | 51.6 |
| 1988 | - 5.9 | 3.4 | - 4.8 | 7.2 | 21.7 | 0.6 | - 4.0 | 5.0 | 29.1 | 23.3 |
| 1989 | - 3.8 | 7.9 | - 14.8 | - 19.5 | 11.5 | 4.2 | - 8.0 | 8.8 | - 9.8 | - 13.6 |
| 1990 | 8.4 | 7.5 | - 9.3 | 17.3 | 22.5 | 2.9 | - 7.5 | - 9.9 | 23.5 | 31.8 |
| 1991 | - 27.9 | <u>9.3</u> | <u>- 11.8</u> | 12.8 | - <u>2.8</u> | 13.0 | - 8.6 | - 9.8 | 2.1 | - 25.8 |
| 1992 | 10.2 | 6.1 | - 13.4 | 56.1 | - 17.1 | - 10.8 | 1.0 | - 48.4 | - 26.6 | - 16.3 |
| 1991 3rd qtr. ... | - 5.9 | 1.2 | - 2.3 | 6.5 | 0.2 | 3.6 | 0.9 | - 13.7 | - 3.7 | - 9.6 |
| 4th „ ... | - 7.9 | <u>4.6</u> | - <u>5.6</u> | - 6.6 | - <u>6.5</u> | 9.8 | - <u>6.0</u> | 11.8 | 1.5 | - 6.4 |
| 1992 1st qtr. ... | - 0.8 | 2.7 | - 4.0 | 7.6 | - 1.2 | 5.2 | 0.9 | - 13.5 | - 2.4 | - 3.1 |
| 2nd „ ... | - 3.6 | 1.5 | - 2.5 | 22.7 | - 8.2 | 3.4 | 0.9 | - 18.6 | - 0.7 | - 4.3 |
| 3rd „ ... | 6.9 | 2.6 | - 3.9 | 8.3 | - 2.7 | - 13.6 | - 0.1 | - 15.8 | - 25.3 | - 18.4 |
| 4th „ ... | 7.7 | - 0.7 | - 3.1 | 17.5 | - 4.9 | - 5.8 | - 0.7 | - 0.5 | 1.8 | 9.5 |

Note: As reported to the Nationalbank. In addition to the recorded capital payments, the capital payments stated in the balance of payments also include unrecorded loans and credit, cf. p. 7.

¹⁾ Including the Danish Export Finance Corporation's borrowing abroad.

²⁾ Intra-group loans are included as from 1992 under "Direct investments", whereas previously they were included under business enterprises' borrowing and lending.

³⁾ A specification is given on p. 9.

⁴⁾ A positive figure expresses a net borrowing abroad. The external position is specified on p. 17.

| | Danish securities | | | | | | | Foreign securities | | | |
|--------------------|-------------------|---------------------|-------------------|-------------------|----------------|------------------------|-------|--------------------|--------------|------------------------|--------|
| | Shares | Bonds, etc. | | | | | Total | Shares | Bonds, etc. | | Total |
| | | in kroner | | | | in foreign currency | | | in kroner | in foreign currency | |
| | | Government bonds | Treasury notes | Treasury bills | Other paper | | | | | | |
| Kr. billion | | | | | | | | | | | |
| Income | | | | | | | | | | | |
| 1983..... | 2.1 | 4.9 | 0.1 | • | 5.1 | 0.8 | 13.0 | 0.2 | • | 2.7 | 2.9 |
| 1984..... | 1.5 | 13.0 | 0.1 | • | 7.2 | 3.8 | 25.5 | 2.1 | • | 2.5 | 4.6 |
| 1985..... | 1.8 | 39.1 | 0.0 | • | 24.3 | 11.2 | 76.4 | 5.5 | 0.0 | 4.0 | 9.5 |
| 1986..... | 3.0 | 31.6 | 0.0 | • | 36.1 | 6.9 | 77.7 | 21.4 | 0.0 | 11.9 | 33.3 |
| 1987..... | 6.6 | 52.3 | 0.1 | • | 48.1 | 4.1 | 111.2 | 32.0 | 0.1 | 17.2 | 49.3 |
| 1988..... | 3.7 | 74.0 | 2.5 | • | 69.9 | 3.2 | 153.3 | 16.5 | 0.5 | 11.3 | 28.4 |
| 1989..... | 10.4 | 49.0 | 5.8 | • | 33.2 | 4.1 | 102.5 | 15.2 | 1.3 | 17.7 | 34.2 |
| 1990..... | 9.5 | 91.7 | 16.4 | 4.9 | 31.6 | 4.7 | 158.9 | 15.3 | 3.1 | 44.5 | 62.8 |
| 1991..... | 8.4 | 187.9 | 48.3 | 16.3 | 19.5 | 10.2 | 290.6 | 15.6 | 10.8 | 58.1 | 84.5 |
| 1992..... | 8.2 | 400.1 | 62.2 | 29.8 | 24.1 | 30.9 | 555.3 | 14.8 | 22.4 | 77.8 | 115.0 |
| 1991 3rd qtr.... | 2.2 | 56.4 | 9.9 | 1.8 | 3.9 | 2.5 | 76.7 | 3.7 | 1.6 | 13.5 | 18.8 |
| 4th „ ... | 1.7 | 50.3 | 12.7 | 9.2 | 4.0 | 2.1 | 80.0 | 4.4 | 7.5 | 12.9 | 24.8 |
| 1992 1st qtr.... | 2.4 | 73.8 | 4.5 | 13.8 | 7.1 | 2.9 | 104.5 | 4.1 | 1.9 | 19.8 | 25.8 |
| 2nd „ ... | 1.9 | 104.7 | 5.4 | 6.3 | 5.5 | 19.2 | 143.0 | 3.7 | 3.8 | 17.8 | 25.3 |
| 3rd „ ... | 1.6 | 88.5 | 8.0 | 5.2 | 6.3 | 6.2 | 115.8 | 3.3 | 12.5 | 19.9 | 35.7 |
| 4th „ ... | 2.3 | 133.1 | 44.3 | 4.5 | 5.2 | 2.7 | 192.0 | 3.7 | 4.3 | 20.3 | 28.3 |
| Expenditure | | | | | | | | | | | |
| 1983..... | 1.2 | 2.6 | 0.1 | • | 4.7 | 0.9 | 9.5 | 0.5 | • | 3.0 | 3.5 |
| 1984..... | 1.7 | 5.8 | 0.1 | • | 5.1 | 4.0 | 16.6 | 3.3 | • | 2.7 | 6.1 |
| 1985..... | 2.3 | 25.9 | 0.1 | • | 19.9 | 11.1 | 59.3 | 7.8 | 0.0 | 4.4 | 12.3 |
| 1986..... | 2.0 | 29.7 | 0.1 | • | 37.3 | 7.6 | 76.7 | 32.4 | 0.1 | 18.8 | 51.3 |
| 1987..... | 4.7 | 37.9 | 0.0 | • | 45.2 | 3.6 | 91.4 | 30.0 | 0.3 | 14.1 | 44.3 |
| 1988..... | 4.8 | 68.8 | 0.9 | • | 63.9 | 3.3 | 141.7 | 18.5 | 0.5 | 13.9 | 32.9 |
| 1989..... | 9.5 | 53.3 | 5.3 | • | 38.3 | 4.5 | 110.9 | 18.8 | 1.5 | 24.9 | 45.3 |
| 1990..... | 9.2 | 70.3 | 14.1 | 3.5 | 28.0 | 8.1 | 133.4 | 17.4 | 2.8 | 50.7 | 70.9 |
| 1991..... | 8.3 | 158.4 | 39.3 | 12.3 | 22.4 | 9.1 | 249.8 | 20.1 | 19.7 | 72.6 | 112.4 |
| 1992..... | 7.8 | 355.2 | 64.8 | 32.6 | 21.8 | 24.6 | 506.8 | 18.7 | 15.2 | 73.6 | 107.5 |
| 1991 3rd qtr.... | 2.9 | 41.9 | 7.1 | 1.1 | 5.3 | 3.1 | 61.4 | 5.7 | 4.4 | 17.5 | 27.7 |
| 4th „ ... | 1.9 | 49.0 | 12.0 | 5.8 | 6.0 | 1.0 | 75.7 | 4.9 | 12.2 | 18.6 | 35.7 |
| 1992 1st qtr.... | 2.5 | 64.7 | 10.8 | 5.8 | 5.5 | 2.0 | 91.2 | 5.5 | 5.3 | 20.6 | 31.4 |
| 2nd „ ... | 1.8 | 82.4 | 6.3 | 7.8 | 4.7 | 14.0 | 117.1 | 4.0 | 6.5 | 18.0 | 28.5 |
| 3rd „ ... | 1.3 | 85.4 | 5.7 | 12.9 | 5.5 | 6.3 | 117.1 | 4.6 | 2.6 | 19.0 | 26.2 |
| 4th „ ... | 2.3 | 122.8 | 41.9 | 6.1 | 6.1 | 2.3 | 181.4 | 4.6 | 0.8 | 16.0 | 21.4 |
| Net income | | | | | | | | | | | |
| 1983..... | 0.9 | 2.3 | 0.0 | • | 0.3 | - 0.1 | 3.5 | - 0.2 | • | - 0.4 | - 0.6 |
| 1984..... | - 0.3 | 7.2 | 0.0 | • | 2.1 | - 0.2 | 8.9 | - 1.2 | • | - 0.2 | - 1.5 |
| 1985..... | - 0.5 | 13.2 | 0.0 | • | 4.4 | 0.1 | 17.1 | - 2.3 | 0.0 | - 0.4 | - 2.8 |
| 1986..... | 1.0 | 1.9 | 0.0 | • | - 1.2 | - 0.6 | 1.0 | - 11.1 | - 0.1 | - 6.9 | - 18.0 |
| 1987..... | 1.9 | 14.4 | 0.1 | • | 2.9 | 0.5 | 19.8 | 2.0 | - 0.2 | 3.1 | 5.0 |
| 1988..... | - 1.1 | 5.2 | 1.6 | • | 6.0 | - 0.1 | 11.6 | - 1.9 | 0.1 | - 2.6 | - 4.5 |
| 1989..... | 1.0 | - 4.3 | 0.4 | • | - 5.1 | - 0.5 | - 8.4 | - 3.6 | - 0.3 | - 7.2 | - 11.1 |
| 1990..... | 0.3 | 21.4 | 2.3 | 1.4 | 3.5 | - 3.5 | 25.4 | - 2.1 | 0.3 | - 6.3 | - 8.1 |
| 1991..... | 0.1 | 29.5 | 9.0 | 4.0 | - 3.0 | 1.2 | 40.7 | - 4.5 | - 9.0 | - 14.5 | - 27.9 |
| 1992..... | 0.3 | 44.8 | - 2.6 | - 2.7 | 2.4 | 6.3 | 48.5 | - 3.9 | 7.2 | 4.2 | 7.5 |
| 1991 3rd qtr.... | - 0.7 | 14.5 | 2.8 | 0.7 | - 1.3 | - 0.6 | 15.3 | - 2.0 | - 2.8 | - 4.0 | - 8.9 |
| 4th „ ... | - 0.2 | 1.2 | 0.7 | 3.4 | - 2.0 | 1.1 | 4.3 | - 0.5 | - 4.7 | - 5.8 | - 10.9 |
| 1992 1st qtr.... | - 0.1 | 9.1 | - 6.3 | 8.0 | 1.7 | 0.9 | 13.2 | - 1.4 | - 3.5 | - 0.8 | - 5.6 |
| 2nd „ ... | 0.1 | 22.3 | - 1.0 | - 1.5 | 0.7 | 5.2 | 25.9 | - 0.3 | - 2.7 | - 0.2 | - 3.2 |
| 3rd „ ... | 0.3 | 3.1 | 2.3 | - 7.7 | 0.8 | - 0.1 | - 1.2 | - 1.3 | 9.9 | 0.9 | 9.5 |
| 4th „ ... | 0.0 | 10.4 | 2.4 | - 1.6 | - 0.9 | 0.3 | 10.6 | - 0.9 | 3.5 | 4.3 | 6.8 |

Foreign trade

| | Imports (cif) | | | | Exports (fob) | | | | Balance of trade |
|--------------------|---------------|------------------------------|--------------|--|---------------|----------------------------------|--------------------|----------------------------|------------------|
| | Total | of which | | | Total | of which | | | |
| | | Goods for trade and industry | Energy, etc. | Goods for consumption and private cars | | Agricultural goods ¹⁾ | Manufactured goods | Energy, etc. ²⁾ | |
| Kr. billion | | | | | | | | | |
| 1983 | 148.9 | 86.0 | 28.6 | 29.5 | 146.8 | 32.0 | 91.5 | 7.2 | - 2.1 |
| 1984 | 171.8 | 99.9 | 30.4 | 36.3 | 165.3 | 35.6 | 106.7 | 8.3 | - 6.5 |
| 1985 | 191.6 | 109.4 | 32.2 | 41.5 | 179.6 | 37.6 | 115.2 | 9.4 | - 12.0 |
| 1986 | 184.7 | 111.7 | 15.8 | 48.3 | 171.8 | 35.3 | 115.8 | 5.1 | - 12.9 |
| 1987 | 174.1 | 105.3 | 13.2 | 46.7 | 175.3 | 33.3 | 118.4 | 4.9 | 1.2 |
| 1988 | 174.4 | 107.7 | 10.9 | 45.7 | 182.4 | 34.0 | 124.8 | 4.5 | 8.0 |
| 1989 | 195.3 | 117.0 | 13.7 | 49.5 | 205.5 | 37.9 | 142.2 | 6.6 | 10.2 |
| 1990 | 195.8 | 116.4 | 13.2 | 51.6 | 216.4 | 38.8 | 150.0 | 7.8 | 20.7 |
| 1991 | 206.8 | 118.3 | 14.2 | 57.6 | 229.8 | 40.3 | 159.5 | 9.4 | 23.0 |
| 1992 | 203.0 | 119.3 | 12.4 | 59.1 | 238.7 | 40.4 | 166.9 | 9.2 | 35.7 |
| 1991 3rd qtr. | 50.8 | 28.1 | 4.3 | 14.5 | 56.5 | 10.2 | 39.1 | 2.3 | 5.7 |
| 4th „ | 54.5 | 30.7 | 3.7 | 15.1 | 60.7 | 10.5 | 41.5 | 2.9 | 6.2 |
| 1992 1st qtr. | 52.2 | 30.9 | 3.0 | 15.2 | 60.0 | 10.6 | 42.0 | 2.4 | 7.7 |
| 2nd „ | 52.8 | 30.6 | 3.5 | 14.5 | 60.6 | 10.6 | 42.3 | 2.1 | 7.8 |
| 3rd „ | 48.2 | 28.1 | 3.2 | 14.7 | 57.1 | 9.5 | 40.9 | 2.2 | 8.9 |
| 4th „ | 49.8 | 29.7 | 2.8 | 14.6 | 61.0 | 9.7 | 41.7 | 2.4 | 11.3 |

Note: Net trade (exclusive of transit trade). Figures comprise only the foreign trade of Denmark proper, including its trade with the Faroe Islands and Greenland.

¹⁾ Including canned meat and milk.

²⁾ As from 1984 including natural gas.

Quantity indices and terms of trade

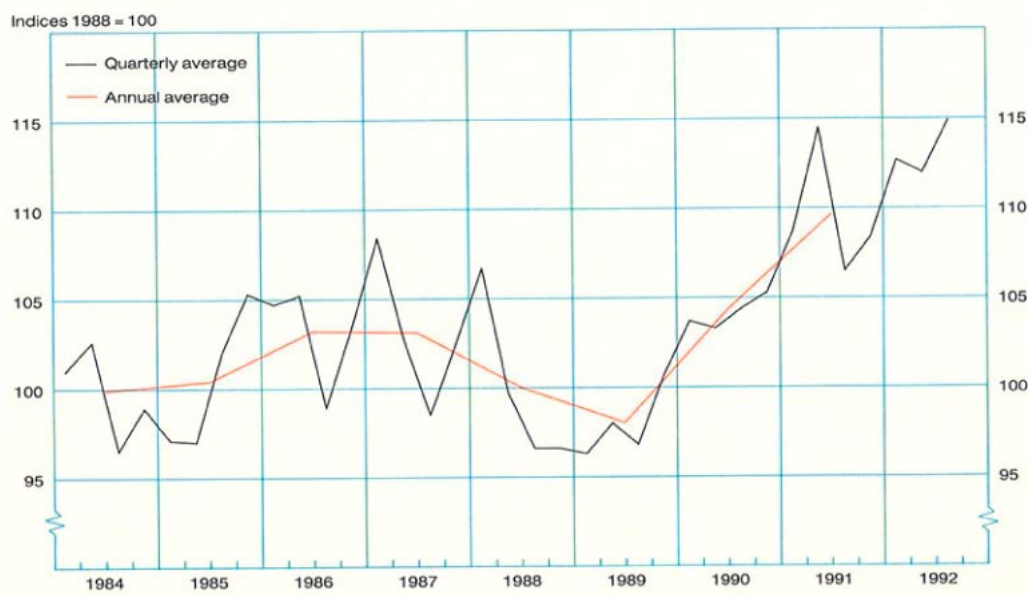
| | Quantity indices | | Unit value indices | | Terms of trade ²⁾ |
|--------------------|------------------------|---------|------------------------|---------|------------------------------|
| | 1985=100 ¹⁾ | | 1985=100 ¹⁾ | | |
| | Exports | Imports | Exports | Imports | 1985=100 ¹⁾ |
| 1982 | 83 | 82 | 86 | 88 | 98 |
| 1983 | 90 | 87 | 90 | 90 | 100 |
| 1984 | 96 | 93 | 97 | 98 | 99 |
| 1985 | 100 | 100 | 100 | 100 | 100 |
| 1986 | 102 | 108 | 95 | 90 | 106 |
| 1987 | 104 | 106 | 95 | 86 | 110 |
| 1988 | 110 | 104 | 94 | 87 | 108 |
| 1989 | 118 | 107 | 100 | 93 | 107 |
| 1990 | 125 | 111 | 98 | 90 | 110 |
| 1991 | 133 | 116 | 99 | 90 | 110 |
| 1991 1st qtr. | 127 | 112 | 98 | 90 | 109 |
| 2nd „ | 133 | 116 | 100 | 91 | 110 |
| 3rd „ | 129 | 112 | 99 | 91 | 109 |
| 4th „ | 139 | 121 | 99 | 91 | 109 |
| 1992 1st qtr. | 139 | 121 | 99 | 89 | 110 |
| 2nd „ | 139 | 120 | 99 | 89 | 112 |
| 3rd „ | 132 | 114 | 97 | 87 | 111 |
| Oct. | 143 | 123 | 97 | 88 | 110 |
| Nov. | 139 | 117 | 96 | 86 | 111 |
| Dec. | 130 | 118 | 97 | 86 | 113 |

Note: Net trade (exclusive of transit trade). Excluding ships and aircraft.

²⁾ Export unit value index as a percentage of the import unit value index.

¹⁾ Until end-1984 converted by the Nationalbank from original base 1980=100.

The market shares of manufactured exports
(Current prices)



| | Germany | UK | France | Netherlands | Sweden | Norway | USA | 13 large markets, total ¹⁾ |
|----------------|---------|-----|--------|-------------|--------|--------|-----|---------------------------------------|
| 1988=100 | | | | | | | | |
| 1984..... | 92 | 104 | 96 | 90 | 101 | 113 | 125 | 100 |
| 1985..... | 89 | 104 | 97 | 89 | 102 | 109 | 134 | 100 |
| 1986..... | 92 | 106 | 102 | 90 | 106 | 112 | 127 | 103 |
| 1987..... | 98 | 105 | 104 | 93 | 104 | 111 | 114 | 103 |
| 1988..... | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 1989..... | 97 | 100 | 96 | 99 | 100 | 92 | 99 | 98 |
| 1990..... | 110 | 97 | 95 | 105 | 112 | 99 | 103 | 104 |
| 1991..... | 123 | 100 | 93 | 109 | 120 | 108 | 100 | 110 |
| 1990 1st qtr.. | 102 | 104 | 97 | 106 | 111 | 96 | 101 | 104 |
| 2nd „ . | 107 | 96 | 101 | 108 | 111 | 93 | 104 | 103 |
| 3rd „ . | 114 | 93 | 92 | 103 | 115 | 105 | 92 | 105 |
| 4th „ . | 115 | 96 | 89 | 105 | 112 | 104 | 112 | 105 |
| 1991 1st qtr.. | 120 | 98 | 94 | 111 | 116 | 111 | 102 | 109 |
| 2nd „ . | 130 | 105 | 101 | 117 | 122 | 107 | 108 | 115 |
| 3rd „ . | 120 | 95 | 90 | 106 | 116 | 107 | 93 | 107 |
| 4th „ . | 123 | 101 | 86 | 102 | 124 | 106 | 97 | 109 |
| 1992 1st qtr.. | 130 | 104 | 92 | 108 | 122 | 110 | 97 | 113 |
| 2nd „ . | 137 | 101 | 96 | 111 | 117 | 99 | 102 | 112 |
| 3rd „ . | ... | ... | ... | ... | ... | ... | ... | 115* |

Note: The market shares show the relation between Danish exports and the importing country's imports. Further details of the calculation method can be found in the Monetary Review - November 1991. Further information can be obtained from Danmarks Nationalbank, Economics and Statistics Department.

¹⁾ The countries stated, as well as Belgium, Italy, Spain, Finland, Austria and Japan, so that 80.6 per cent of exports of manufactured goods in 1991 are included in the calculation.

Government finance

(As per the central government's accounts)

| | Surplus on current, investment and lending account ¹⁾ | Net expenditure on capital account ¹⁾²⁾ | Cash surplus (gross) ³⁾ | Financing | | | |
|--------------------------|--|--|------------------------------------|--------------------------------|----------------------------------|---------------------|---------------------------------|
| | | | | Domestic borrowing | | | Foreign borrowing ⁵⁾ |
| | | | | Sales of government securities | Net drawings on the Nationalbank | Other ⁴⁾ | |
| Kr. billion | | | | | | | |
| 1982 | - 49.4 | 32.5 | - 81.9 | 66.8 | - 8.4 | 0.3 | 23.2 |
| 1983 | - 54.2 | 60.6 | - 114.9 | 101.1 | - 10.8 | 1.7 | 22.9 |
| 1984 | - 43.6 | 100.5 | - 144.1 | 103.9 | 5.1 | 1.9 | 33.3 |
| 1985 | - 26.3 | 111.4 | - 137.7 | 102.4 | - 6.9 | 7.1 | 35.2 |
| 1986 | 7.8 | 113.0 | - 105.1 | 58.1 | - 30.5 | - 0.2 | 77.8 |
| 1987 | 3.6 | 98.5 | - 95.0 | 60.4 | - 6.4 | - 0.1 | 41.1 |
| 1988 | - 13.5 | 125.5 | - 139.0 | 94.7 | 22.5 | - 4.4 | 26.2 |
| 1989 | - 18.7 | 107.7 | - 126.4 | 108.7 | 0.6 | 4.0 | 13.1 |
| 1990 | - 23.2 | 88.8 | - 112.0 | 101.8 | - 9.8 | - 0.2 | 20.1 |
| 1991 | - 38.3 | 111.8 | - 150.1 | 114.4 | 33.5 | 0.1 | 2.2 |
| 1992 ⁶⁾ | - 37.9 | 104.9 | - 142.8 | ... | ... | ... | ... |
| 1993 ⁶⁾ | - 43.9 | 78.7 | - 122.6 | ... | ... | ... | ... |

1) As from 1983 the current, investment and lending account has been increased by a calculated loss on government bond issues, and the net expenditure on capital account has been reduced by a corresponding amount. In 1982 the loss on government bond issues was kr.3.7 billion.

2) Comprises redemption of domestic and foreign debt, bonds purchased by the Social Pension Fund, bonds bought for amortization, movements in residual accounts from previous years, and redemption received on government lending, etc.

3) In the period as from 1986 until end-1990 including change in Post Giro accounts with entities other than the Treasury. In 1991 the financing requirement increased by approx. kr.21 billion after the restructuring of the National Post Giro as GiroBank.

4) Until end-1985 including drawings from Post Giro accounts, cf. note 3.

5) Including foreign loans re-lent to power stations.

6) Estimate, December 1992.

Central-government financing

| | Central government's gross financing requirement ¹⁾ | Redemption of foreign government loans | Redemption of domestic government loans ²⁾ | Central government's net financing requirement ¹⁾ | Met by | | | | |
|----------------|--|--|---|--|---|---|-----------------------|--------------------|--|
| | | | | | Net sales of government securities in kroner to | | Net foreign borrowing | Sales of ECU bonds | Net drawings on the Nationalbank ³⁾ |
| | | | | | Business, households, etc. ³⁾ | The Nationalbank, the banks, etc. ⁴⁾ | | | |
| Kr. billion | | | | | | | | | |
| 1983 | 113.4 | 12.5 | 48.1 | 52.8 | 22.9 | 30.1 | 10.5 | • | - 10.7 |
| 1984 | 143.8 | 45.7 | 58.3 | 39.8 | 36.4 | 9.2 | - 12.4 | • | 6.6 |
| 1985 | 134.7 | 30.2 | 77.0 | 27.5 | 12.6 | 13.6 | 5.2 | • | - 3.9 |
| 1986 | 100.6 | 46.3 | 68.3 | - 13.9 | - 1.9 | - 8.4 | 31.7 | • | - 35.2 |
| 1987 | 94.2 | 27.2 | 67.7 | - 0.7 | 7.8 | - 15.1 | 14.0 | • | - 7.4 |
| 1988 | 131.4 | 36.3 | 86.8 | 8.3 | - 2.2 | 10.1 | - 10.1 | • | 10.5 |
| 1989 | 130.1 | 17.8 | 89.5 | 22.7 | 11.6 | 7.6 | - 4.7 | • | 8.2 |
| 1990 | 119.7 | 14.7 | 79.1 | 25.9 | 41.2 | - 18.5 | 5.6 | • | - 2.4 |
| 1991 | 136.9 | 30.6 | 64.5 | 41.8 | 36.5 | 13.3 | - 28.4 | • | 20.4 |
| 1992 | 142.6 | 16.3 | 96.0 | 30.3 | 46.4 | - 17.6 | 11.1 | 10.2 | - 19.8 |
| 1991 4th qtr.. | 24.2 | 8.5 | 11.1 | 4.7 | 1.6 | 4.2 | - 5.5 | • | 4.4 |
| 1992 1st qtr.. | 46.9 | 10.7 | 29.5 | 6.8 | 12.4 | - 4.1 | - 3.0 | • | 1.4 |
| 2nd „ . | 36.9 | 1.7 | 14.2 | 21.0 | 31.0 | - 10.2 | - 3.9 | 10.2 | - 6.1 |
| 3rd „ . | 32.6 | 2.9 | 28.7 | 1.0 | - 2.7 | 0.0 | 6.6 | — | - 3.0 |
| 4th „ . | 26.2 | 1.0 | 23.6 | 1.6 | 5.8 | - 3.4 | 11.4 | — | - 12.2 |

1) Calculated on the basis of the Nationalbank's balance sheet. Until end-2nd quarter of 1991 in calculation no allowance has been made for fluctuations in Post Giro funds. As from 1989 excluding redemption of foreign short-term government loans (Commercial paper). As from the 3rd quarter of 1990 excluding redemption of domestic short-term government loans (Treasury bills).

2) Including repayment of compulsory savings in the 3rd quarters of 1990, 1991 and 1992.

3) Including net purchases by non-residents as shown in the table on p. 9. Including compulsory savings in 1985.

4) Including the Kingdom of Denmark Mortgage Bank and Post Giro.

5) Until end-2nd quarter of 1991 excluding fluctuations in Post Giro funds.

Government lending and borrowing
(Outstanding amounts)

13

| End of period | Lending, total | Domestic debt | | | | Foreign debt, total | Debt, total |
|----------------|----------------|---------------|---------------------|--|-------------------------|---------------------|-------------|
| | | Total | Of which | | | | |
| | | | Bonds ¹⁾ | Net debt to the Nationalbank ²⁾ | Post Giro ³⁾ | | |
| Kr. billion | | | | | | | |
| 1981 Dec. | 23.7 | 132.8 | 135.4 | - 4.5 | 1.9 | 57.5 | 190.3 |
| 1982 „ | 26.6 | 198.7 | 204.0 | - 7.6 | 2.3 | 79.1 | 277.9 |
| 1983 „ | 29.9 | 256.6 | 272.5 | - 18.8 | 2.9 | 102.5 | 359.1 |
| 1984 „ | 32.6 | 322.1 | 331.3 | - 13.6 | 4.3 | 98.5 | 420.6 |
| 1985 „ | 34.6 | 348.0 | 361.2 | - 18.3 | 5.1 | 92.9 | 441.0 |
| 1986 „ | 35.1 | 304.1 | 352.6 | - 49.9 | 1.5 | 119.9 | 424.1 |
| 1987 „ | 35.7 | 290.7 | 346.5 | - 56.9 | 1.0 | 127.6 | 418.3 |
| 1988 „ | 39.2 | 309.7 | 355.0 | - 39.1 | - 6.2 | 124.3 | 434.0 |
| 1989 „ | 42.0 | 340.0 | 377.1 | - 32.2 | - 4.9 | 116.0 | 456.1 |
| 1990 „ | 48.4 | 367.0 | 406.5 | - 38.4 | - 1.1 | 119.1 | 486.1 |
| 1991 „ | 54.2 | 451.0 | 462.4 | - 11.4 | • | 92.3 | 543.3 |

¹⁾ As from 1985 including compulsory savings.

²⁾ Calculated on the basis of the Nationalbank's balance sheet.

³⁾ Excluding the Treasury's and the Nationalbank's deposits with Post Giro.

Local governments and public utilities:
Liquid assets and debt

| End of period | Liquid assets | | | Debt | | | |
|--------------------------------------|---|----------------------|-------|------------|-----------|---------|-------|
| | Cash-in-hand and balance with the banks ¹⁾ | Investments in bonds | Total | Domestic | | Foreign | Total |
| | | | | Short-term | Long-term | | |
| Kr. billion | | | | | | | |
| <i>Local governments</i> | | | | | | | |
| 1986..... | 10.8 | 6.9 | 17.7 | 0.2 | 16.5 | 8.2 | 24.9 |
| 1987..... | 8.0 | 6.5 | 14.5 | 0.1 | 16.0 | 10.1 | 26.2 |
| 1988..... | 6.2 | 5.7 | 11.9 | 0.2 | 15.8 | 12.0 | 28.1 |
| 1989..... | 7.6 | 4.9 | 12.6 | 0.4 | 16.6 | 12.9 | 29.9 |
| 1990..... | 6.9 | 5.1 | 12.0 | 0.6 | 18.9 | 13.5 | 33.0 |
| 1991..... | 7.1 | 5.1 | 12.2 | 0.6 | 20.3 | 13.8 | 34.8 |
| 1991 1st qtr. | 4.5 | 5.5 | 10.1 | 0.5 | 19.2 | 13.5 | 33.2 |
| 2nd „ | 4.6 | 5.5 | 10.1 | 0.5 | 19.1 | 13.8 | 33.4 |
| 3rd „ | 6.3 | 4.9 | 11.2 | 0.5 | 19.6 | 13.4 | 33.4 |
| 4th „ | 7.3 | 5.3 | 12.6 | 0.5 | 19.5 | 13.7 | 33.7 |
| 1992 1st qtr. | 7.9 | 5.3 | 13.1 | 0.4 | 21.0 | 14.6 | 36.0 |
| 2nd „ | 5.6 | 5.3 | 11.0 | 0.5 | 20.8 | 14.6 | 35.9 |
| 3rd „ | 6.9 | 5.1 | 12.0 | 0.3 | 21.1 | 14.3 | 35.6 |
| 4th „ | 6.5 | 5.0 | 11.5 | 0.5 | 21.1 | 13.9 | 35.5 |
| <i>Public utilities²⁾</i> | | | | | | | |
| 1986 December | 1.9 | 2.2 | 4.1 | 2.2 | 15.9 | 14.2 | 32.4 |
| 1987 „ | 2.6 | 1.4 | 4.0 | 2.0 | 16.3 | 16.2 | 34.5 |
| 1988 „ | 3.7 | 1.8 | 5.5 | 2.4 | 15.5 | 23.0 | 40.9 |
| 1989 „ | 3.7 | 1.8 | 5.5 | 3.0 | 17.7 | 23.5 | 44.2 |
| 1990 „ | 3.9 | 1.9 | 5.9 | 4.2 | 17.7 | 27.9 | 49.8 |

¹⁾ Until end-1st quarter of 1991 including balance with Post Giro.

²⁾ Power stations, gasworks, district heating plants, telephone companies and refuse disposal plants owing debts from kr.10 million

upwards, and railways, airports and port authorities owing debts of kr.1 million upwards. Including the national and local natural gas supply system.

The banks' lending

| End of period | From domestic units | | | | From foreign units | | | | Total |
|----------------|---------------------|----------|------------------|----------|--------------------|----------|------------------|----------|--------------|
| | To residents | | To non-residents | | To residents | | To non-residents | | |
| | Kroner | Currency | Kroner | Currency | Kroner | Currency | Kroner | Currency | |
| | Kr. billion | | | | | | | | |
| 1986 Dec. | 273.2 | 1.4 | 1.5 | 1.0 | 3.7 | 73.0 | ... | 30.6 | 384.4 |
| 1987 " | 303.5 | 1.6 | 1.6 | 0.9 | 5.3 | 85.0 | ... | 44.3 | 442.2 |
| 1988 " | 297.5 | 2.6 | 2.6 | 2.6 | 9.4 | 104.0 | 1.4 | 57.7 | 477.8 |
| 1989 " | 317.5 | 4.0 | 3.0 | 5.4 | 10.4 | 113.2 | 2.0 | 70.3 | 525.8 |
| 1990 " | <u>334.4</u> | 15.5 | 5.3 | 13.6 | 14.7 | 121.9 | 3.2 | 77.4 | <u>586.1</u> |
| 1991 " | 334.8 | 16.5 | 5.5 | 19.6 | 29.8 | 110.7 | 2.5 | 71.5 | 591.0 |
| 1992 " | 321.5 | 17.5 | 5.9 | 18.4 | 15.1 | 97.9 | 3.2 | 66.7 | 546.2 |
| 1991 Dec. | 334.8 | 16.5 | 5.5 | 19.6 | 29.8 | 110.7 | 2.5 | 71.5 | 591.0 |
| 1992 Jan. | 313.2 | 16.9 | 5.0 | 19.7 | 29.4 | 112.3 | 2.6 | 75.0 | 574.0 |
| Feb. | 310.9 | 16.7 | 5.4 | 19.0 | 28.1 | 111.1 | 2.9 | 74.9 | 569.2 |
| March | 321.7 | 17.0 | 5.3 | 18.8 | 30.2 | 107.3 | 3.2 | 72.7 | 576.3 |
| April | 313.2 | 16.1 | 5.4 | 19.4 | 30.6 | 103.6 | 3.4 | 75.0 | 566.6 |
| May | 314.6 | 14.9 | 5.6 | 19.0 | 33.1 | 98.4 | 3.1 | 74.3 | 563.0 |
| June | 330.2 | 14.8 | 5.3 | 19.8 | 33.4 | 96.5 | 2.8 | 72.6 | 575.4 |
| July | 311.5 | 13.8 | 4.6 | 19.0 | 31.8 | 93.7 | 2.2 | 71.0 | 547.5 |
| Aug. | 311.5 | 15.3 | 4.8 | 17.9 | 29.9 | 93.4 | 2.6 | 69.1 | 544.5 |
| Sept. | 322.0 | 14.6 | 5.5 | 20.2 | 25.8 | 97.4 | 2.6 | 64.4 | 552.5 |
| Oct. | 310.4 | 15.3 | 7.5 | 21.9 | 23.3 | 96.0 | 2.4 | 65.3 | 542.1 |
| Nov. | 313.4 | 15.7 | 6.5 | 21.3 | 21.7 | 97.0 | 2.8 | 64.8 | 543.1 |
| Dec. | 321.5 | 17.5 | 5.9 | 18.4 | 15.1 | 97.9 | 3.2 | 66.7 | 546.2 |

Note: Until end-December 1990 including lending to mortgage-credit institutes, etc., and excluding private mortgage-term loans. Subsidiaries in Ireland which are not credit institutions are

included in the same way as other foreign units (branches and subsidiary banks).

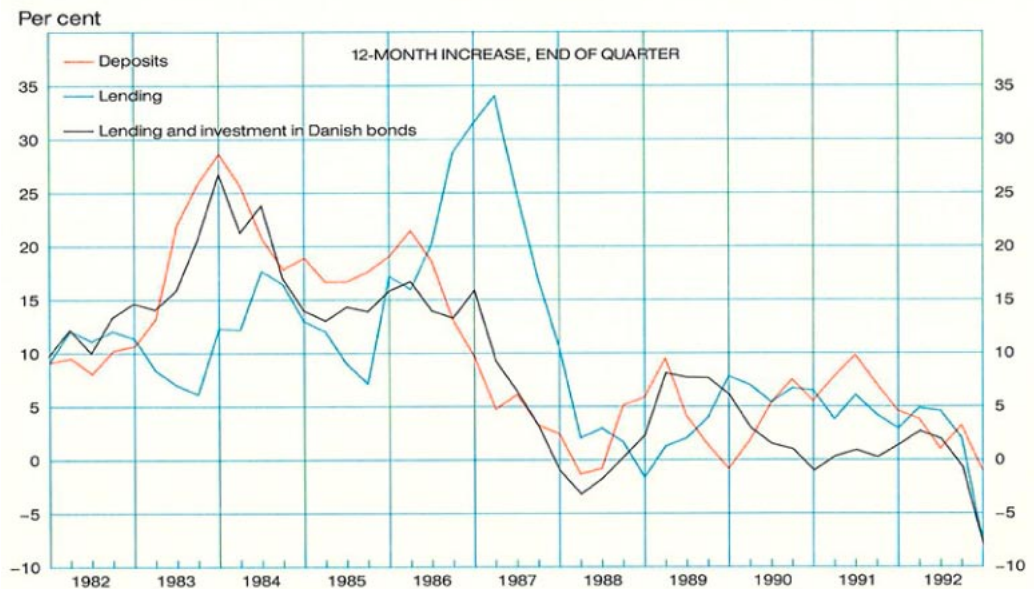
The banks' investment in bonds and shares

| End of period | Domestic units | | | | Foreign units ¹⁾ | | Total |
|----------------|----------------|---------|-------------|-------------|-----------------------------|------------------------|--------------|
| | Bonds | | Shares | | Danish bonds in kroner | Other bonds and shares | |
| | Danish | Foreign | Danish | Foreign | | | |
| | Kr. billion | | | | | | |
| 1986 Dec. | 176.6 | 5.6 | 17.5 | 5.5 | 2.2 | 7.3 | 214.7 |
| 1987 " | 133.3 | 4.2 | 15.9 | 5.5 | 2.3 | 7.6 | 168.8 |
| 1988 " | <u>149.7</u> | 6.1 | 17.3 | 6.4 | 2.0 | 10.0 | <u>191.6</u> |
| 1989 " | 159.5 | 16.9 | 22.3 | 10.2 | 3.4 | 14.6 | 226.9 |
| 1990 " | <u>127.5</u> | 26.1 | <u>24.4</u> | <u>10.6</u> | 2.7 | 18.4 | <u>209.7</u> |
| 1991 " | 150.5 | 29.4 | 14.4 | 4.3 | 3.1 | 25.7 | 227.3 |
| 1992 " | 144.9 | 31.0 | 14.8 | 3.5 | 1.4 | 17.9 | 213.5 |
| 1991 Dec. | 150.5 | 29.4 | 14.4 | 4.3 | 3.1 | 25.7 | 227.3 |
| 1992 Jan. | 163.5 | 30.8 | 14.8 | 4.5 | 4.0 | 25.8 | 243.3 |
| Feb. | 165.9 | 37.1 | 14.7 | 4.4 | 3.3 | 22.5 | 247.8 |
| March | 155.5 | 36.6 | 14.8 | 4.7 | 3.5 | 21.8 | 236.9 |
| April | 154.9 | 38.1 | 15.0 | 4.4 | 3.4 | 21.5 | 237.1 |
| May | 151.3 | 35.4 | 14.9 | 4.3 | 3.4 | 20.8 | 230.0 |
| June | 147.3 | 31.0 | 14.7 | 3.8 | 3.3 | 20.8 | 220.9 |
| July | 148.3 | 30.8 | 15.5 | 3.7 | 2.0 | 19.5 | 219.8 |
| Aug. | 141.7 | 28.3 | 15.3 | 3.6 | 2.0 | 17.7 | 208.5 |
| Sept. | 145.3 | 24.4 | 15.0 | 3.6 | 1.8 | 19.3 | 209.4 |
| Oct. | 138.0 | 25.5 | 15.0 | 3.7 | 1.8 | 20.4 | 204.4 |
| Nov. | 138.7 | 30.5 | 15.0 | 3.6 | 1.2 | 19.7 | 208.7 |
| Dec. | 144.9 | 31.0 | 14.8 | 3.5 | 1.4 | 17.9 | 213.5 |

Note: In 1989 and 1990 the bond portfolios of the banks were influenced by repurchase agreements with the Nationalbank. As from 1991 excluding shares in subsidiary banks, etc.

¹⁾ Branches and subsidiaries abroad.

*Increase in the banks' deposits, lending
and investment in bonds*



Note: Until end-1989 domestic lending and deposits (excluding tax-privileged deposits) with the Danish parent company. Thereafter deposits from and lending to residents in kroner from both domestic and foreign units. In the same way, investment in Danish krone bonds by foreign units is included as from 1990.

Deposits with the banks

| End of period | With domestic units | | | | With foreign units | | | | Total |
|----------------|---------------------|----------|--------------------|----------|--------------------|----------|--------------------|----------|-------|
| | From residents | | From non-residents | | From residents | | From non-residents | | |
| | Kroner | Currency | Kroner | Currency | Kroner | Currency | Kroner | Currency | |
| | Kr. billion | | | | | | | | |
| 1986 Dec. | 376.9 | 1.9 | 7.7 | 15.0 | ... | 0.7 | 0.2 | 10.2 | 412.6 |
| 1987 " | 390.0 | 2.1 | 7.4 | 15.1 | ... | 1.4 | 0.3 | 17.5 | 433.8 |
| 1988 " | 413.5 | 4.9 | 8.3 | 35.0 | 0.1 | 1.9 | 2.5 | 24.7 | 490.8 |
| 1989 " | 412.4 | 8.8 | 8.2 | 44.9 | 0.2 | 2.5 | 2.4 | 36.4 | 515.7 |
| 1990 " | 435.2 | 10.6 | 8.2 | 45.5 | 0.1 | 2.9 | 3.2 | 41.2 | 546.8 |
| 1991 " | 447.7 | 10.1 | 10.2 | 11.9 | 0.1 | 2.5 | 3.5 | 29.9 | 515.9 |
| 1992 " | 443.2 | 13.0 | 9.6 | 15.4 | 0.2 | 1.8 | 5.0 | 24.8 | 512.9 |
| 1991 Dec. | 447.7 | 10.1 | 10.2 | 11.9 | 0.1 | 2.5 | 3.5 | 29.9 | 515.9 |
| 1992 Jan. | 447.3 | 9.1 | 9.9 | 12.8 | 0.1 | 2.0 | 3.0 | 29.0 | 513.2 |
| Feb. | 445.7 | 9.6 | 10.3 | 14.0 | 0.1 | 2.1 | 3.9 | 29.4 | 515.2 |
| March | 449.1 | 9.7 | 11.0 | 13.0 | 0.1 | 2.4 | 3.6 | 32.2 | 521.1 |
| April | 462.2 | 10.2 | 10.9 | 12.9 | 0.1 | 2.1 | 3.5 | 31.9 | 533.7 |
| May | 461.1 | 10.0 | 11.0 | 13.1 | 0.1 | 2.7 | 4.1 | 30.6 | 532.6 |
| June | 456.6 | 8.8 | 11.1 | 13.8 | 0.1 | 2.8 | 4.0 | 32.4 | 529.6 |
| July | 461.0 | 9.6 | 11.9 | 14.3 | 0.2 | 2.8 | 3.6 | 29.2 | 532.5 |
| Aug. | 461.4 | 10.5 | 9.7 | 14.3 | 0.2 | 2.8 | 4.3 | 27.7 | 530.8 |
| Sept. | 453.3 | 11.0 | 10.0 | 13.8 | 0.1 | 3.2 | 5.1 | 27.4 | 523.9 |
| Oct. | 466.3 | 11.8 | 10.5 | 14.1 | 0.1 | 2.8 | 5.4 | 24.4 | 535.4 |
| Nov. | 458.8 | 12.9 | 11.1 | 15.0 | 0.2 | 2.7 | 5.9 | 23.9 | 530.4 |
| Dec. | 443.2 | 13.0 | 9.6 | 15.4 | 0.2 | 1.8 | 5.0 | 24.8 | 512.9 |

Note: Until end-December 1990 including bonds, and deposits from mortgage-credit institutes, etc. Subsidiaries in Ireland

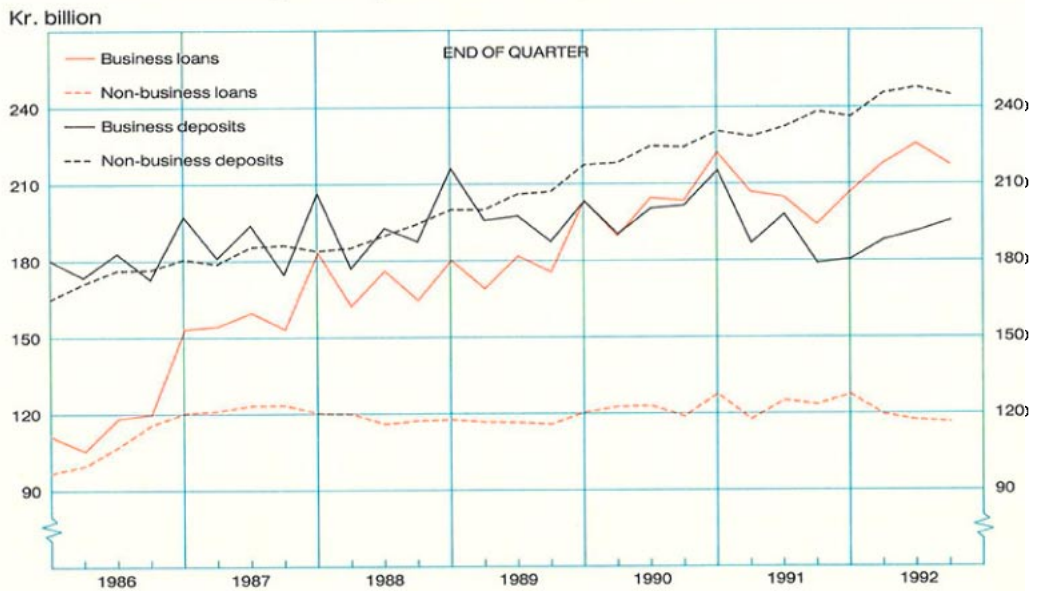
which are not credit institutions are included in the same way as other foreign units (branches and subsidiary banks).

| End of period | Business | | | | | | | | Non-business | | Total |
|-----------------|---------------|--|---------------------------|--------------------------|---|--|---------------|--------------|--------------|-------|--------------|
| | Farming, etc. | Manufacturing industries, etc. ¹⁾ | Building and construction | Trading, transport, etc. | Finance, insurance, real property, etc. ²⁾ | Public administration and other services | Other sectors | Total | Students | Other | |
| | Kr. billion | | | | | | | | | | |
| <i>Lending</i> | | | | | | | | | | | |
| 1983 Dec..... | 12.7 | 15.0 | 6.2 | 24.0 | 17.5 | 5.9 | 7.9 | 89.2 | 8.1 | 60.7 | 158.0 |
| 1984 „ | 13.7 | 16.5 | 7.4 | 26.9 | 19.0 | 6.2 | 10.6 | 100.2 | 8.2 | 70.5 | 178.9 |
| 1985 „ | 15.1 | 19.1 | 6.8 | 30.1 | 27.8 | 7.0 | 5.2 | 111.2 | 8.4 | 88.8 | 208.4 |
| 1986 „ | 16.7 | 25.3 | 9.2 | 38.9 | 40.0 | 8.5 | 14.9 | 153.4 | 8.2 | 112.2 | 273.9 |
| 1987 „ | 19.0 | 28.0 | 10.9 | 49.4 | 49.0 | 10.1 | 16.9 | 183.3 | 7.4 | 112.9 | 303.5 |
| 1988 „ | 17.6 | 24.4 | 11.0 | 40.9 | 54.5 | 10.7 | 21.2 | 180.2 | 7.0 | 110.7 | 297.9 |
| 1989 „ | 17.0 | 31.9 | 11.6 | 49.0 | 66.6 | 10.9 | 16.5 | 203.4 | 6.4 | 114.0 | 323.9 |
| 1990 „ | 18.3 | 34.7 | 12.6 | 47.5 | <u>65.8</u> | 10.8 | 32.5 | <u>222.3</u> | 5.9 | 121.7 | <u>349.9</u> |
| 1991 „ | 17.8 | 31.1 | 14.1 | 46.6 | 65.9 | 14.4 | 16.8 | 206.6 | 5.6 | 121.8 | 334.0 |
| 1990 March | 16.5 | 31.5 | 12.6 | 47.0 | 56.8 | 10.9 | 14.6 | 189.7 | 6.3 | 116.3 | 312.3 |
| June | 18.8 | 31.7 | 12.3 | 46.2 | 63.5 | 11.3 | 20.8 | 204.5 | 6.1 | 116.8 | 327.4 |
| Sept. | 18.3 | 30.0 | 12.2 | 44.9 | 58.8 | 10.8 | 28.4 | 203.4 | 6.0 | 112.8 | 322.2 |
| Dec. | 18.3 | 34.7 | 12.6 | 47.5 | <u>65.8</u> | 10.8 | 32.5 | <u>222.3</u> | 5.9 | 121.7 | <u>349.9</u> |
| 1991 March | 17.6 | 33.3 | 13.7 | 47.0 | 63.5 | 11.7 | 19.9 | 206.8 | 5.8 | 111.8 | 324.4 |
| June | 19.3 | 30.8 | 12.0 | 47.4 | 63.6 | 12.9 | 18.8 | 204.7 | 5.9 | 119.2 | 329.8 |
| Sept. | 18.1 | 26.6 | 11.5 | 43.7 | 56.6 | 13.5 | 24.0 | 194.0 | 5.6 | 117.8 | 317.4 |
| Dec. | 17.8 | 31.1 | 14.1 | 46.6 | 65.9 | 14.4 | 16.8 | 206.6 | 5.6 | 121.8 | 334.0 |
| 1992 March | 19.5 | 29.9 | 16.4 | 49.3 | 69.0 | 13.0 | 20.8 | 217.9 | 5.3 | 114.2 | 337.4 |
| June | 20.6 | 28.0 | 16.8 | 47.5 | 71.7 | 12.9 | 28.0 | 225.6 | 5.0 | 112.3 | 342.9 |
| Sept. | 20.3 | 26.2 | 16.2 | 45.9 | 69.2 | 12.2 | 27.6 | 217.5 | 4.9 | 111.7 | 334.1 |
| <i>Deposits</i> | | | | | | | | | | | |
| 1983 Dec..... | 11.1 | 16.0 | 5.0 | 24.7 | 33.5 | 25.2 | 9.6 | 125.2 | • | 123.6 | 248.7 |
| 1984 „ | 12.6 | 20.5 | 6.1 | 31.8 | 42.6 | 26.6 | 12.4 | 152.6 | • | 138.7 | 291.3 |
| 1985 „ | 14.9 | 23.9 | 7.6 | 37.9 | 57.0 | 31.0 | 8.1 | 180.5 | • | 165.1 | 345.6 |
| 1986 „ | 14.7 | 24.0 | 8.8 | 37.4 | 64.5 | 31.7 | 16.3 | 197.4 | • | 180.7 | 378.2 |
| 1987 „ | 14.8 | 27.2 | 8.9 | 41.0 | 69.7 | 25.8 | 19.2 | 206.5 | • | 184.0 | 390.5 |
| 1988 „ | 14.5 | 26.6 | 10.1 | 33.7 | 80.4 | 25.4 | 25.5 | 216.2 | • | 200.1 | 416.4 |
| 1989 „ | 16.1 | 26.5 | 8.7 | 33.7 | 71.4 | 26.1 | 20.8 | 203.3 | • | 217.5 | 420.8 |
| 1990 „ | 15.2 | 28.4 | 8.3 | 34.5 | <u>71.3</u> | 25.8 | 31.8 | <u>215.2</u> | • | 230.6 | <u>445.8</u> |
| 1991 „ | 16.0 | 25.6 | 7.8 | 34.3 | 51.0 | 29.5 | 16.3 | 180.5 | • | 236.2 | 416.7 |
| 1990 March | 15.9 | 24.9 | 7.9 | 29.9 | 62.5 | 26.9 | 22.5 | 190.4 | • | 218.4 | 408.8 |
| June | 15.9 | 26.4 | 7.8 | 31.4 | 70.0 | 26.9 | 22.0 | 200.4 | • | 224.9 | 425.3 |
| Sept. | 14.8 | 26.9 | 7.7 | 31.9 | 63.5 | 27.2 | 29.4 | 201.5 | • | 224.4 | 425.9 |
| Dec. | 15.2 | 28.4 | 8.3 | 34.5 | <u>71.3</u> | 25.8 | 31.8 | <u>215.2</u> | • | 230.6 | <u>445.8</u> |
| 1991 March | 15.7 | 25.9 | 8.5 | 32.4 | 60.1 | 25.3 | 18.9 | 186.7 | • | 228.4 | 415.1 |
| June | 16.6 | 27.4 | 7.7 | 35.1 | 59.3 | 28.8 | 23.2 | 198.1 | • | 232.2 | 430.3 |
| Sept. | 16.0 | 25.8 | 7.2 | 32.7 | 50.5 | 28.2 | 18.4 | 178.9 | • | 238.1 | 417.0 |
| Dec. | 16.0 | 25.6 | 7.8 | 34.3 | 51.0 | 29.5 | 16.3 | 180.5 | • | 236.2 | 416.7 |
| 1992 March | 16.2 | 28.3 | 8.3 | 33.4 | 57.8 | 26.1 | 18.0 | 188.0 | • | 245.5 | 433.5 |
| June | 16.8 | 27.9 | 7.5 | 35.9 | 59.5 | 25.0 | 18.8 | 191.4 | • | 247.6 | 439.0 |
| Sept. | 17.7 | 27.8 | 7.9 | 35.6 | 61.2 | 27.8 | 17.6 | 195.6 | • | 244.7 | 440.3 |

Source: Danmarks Statistik.

¹⁾ Including power, gas, water and heating supplies and extraction of raw materials.²⁾ Until end-December 1990 including lending to and deposits from mortgage-credit institutes, etc.

Distribution by sector of domestic lending and deposits with the banks



The external position of the banks

| End of period | Assets | | | | Liabilities | | | | Net assets |
|----------------|-------------|---------------------------|----------------|-------|------------------------|---------------------------|----------------|-------|------------|
| | Lending | Credit institutions, etc. | Other accounts | Total | Deposits ¹⁾ | Credit institutions, etc. | Other accounts | Total | |
| | Kr. billion | | | | | | | | |
| 1982 Dec. | 10.4 | 43.4 | 2.9 | 56.7 | 9.6 | 43.9 | 6.0 | 59.5 | - 2.8 |
| 1983 „ | 1.0 | 63.7 | 3.1 | 67.7 | 10.5 | 58.4 | 5.9 | 74.8 | - 7.0 |
| 1984 „ | 1.4 | 86.9 | 3.8 | 92.1 | 12.9 | 79.4 | 7.2 | 99.5 | - 7.4 |
| 1985 „ | 1.6 | 122.4 | 6.9 | 130.8 | 20.2 | 111.6 | 11.2 | 143.0 | - 12.1 |
| 1986 „ | 2.5 | 108.8 | 12.2 | 123.4 | 22.6 | 96.8 | 14.0 | 133.5 | - 10.1 |
| 1987 „ | 2.6 | 139.1 | 10.9 | 152.5 | 22.3 | 119.4 | 15.1 | 156.9 | - 4.3 |
| 1988 „ | 5.2 | 185.3 | 13.7 | 204.2 | 43.3 | 147.6 | 21.3 | 212.2 | - 8.0 |
| 1989 „ | 8.4 | 202.1 | 28.5 | 239.0 | 53.1 | 178.8 | 20.5 | 252.4 | - 13.4 |
| 1990 „ | 18.9 | 216.0 | 38.5 | 273.5 | 53.7 | 202.2 | 19.1 | 275.0 | - 1.5 |
| 1991 „ | 41.7 | 206.6 | 41.9 | 290.1 | 22.4 | 208.5 | 51.4 | 282.3 | 7.8 |
| 1992 „ | 45.1 | 195.3 | 45.1 | 285.4 | 25.3 | 165.9 | 36.3 | 227.5 | 57.9 |
| 1991 Oct. | 38.4 | 227.7 | 45.9 | 311.9 | 24.0 | 211.3 | 52.5 | 287.8 | 24.1 |
| Nov. | 40.7 | 221.8 | 46.3 | 308.8 | 23.0 | 221.6 | 52.4 | 297.0 | 11.8 |
| Dec. | 41.7 | 206.6 | 41.9 | 290.1 | 22.4 | 208.5 | 51.4 | 282.3 | 7.8 |
| 1992 Jan. | 42.6 | 220.1 | 44.6 | 307.3 | 23.0 | 211.7 | 58.2 | 292.9 | 14.4 |
| Feb. | 42.9 | 217.1 | 50.0 | 310.0 | 24.6 | 217.1 | 57.3 | 299.0 | 11.0 |
| March | 43.2 | 216.5 | 49.8 | 309.5 | 24.3 | 206.6 | 55.6 | 286.5 | 23.0 |
| April | 43.6 | 224.6 | 53.0 | 321.2 | 24.1 | 224.0 | 55.3 | 303.4 | 17.8 |
| May | 43.0 | 234.1 | 48.0 | 325.1 | 24.4 | 210.7 | 53.0 | 288.1 | 37.0 |
| June | 43.2 | 234.0 | 44.8 | 322.1 | 25.1 | 206.9 | 48.5 | 280.5 | 41.6 |
| July | 42.3 | 224.1 | 44.9 | 311.2 | 26.6 | 196.9 | 44.6 | 268.1 | 43.1 |
| Aug. | 42.0 | 220.6 | 40.8 | 303.4 | 24.3 | 191.4 | 42.8 | 258.4 | 44.9 |
| Sept. | 45.8 | 209.4 | 36.4 | 291.7 | 24.0 | 170.9 | 39.3 | 234.2 | 57.4 |
| Oct. | 50.6 | 215.6 | 37.6 | 303.9 | 24.8 | 172.4 | 41.7 | 238.9 | 65.0 |
| Nov. | 49.2 | 213.9 | 43.9 | 307.0 | 26.3 | 179.7 | 37.9 | 243.9 | 63.1 |
| Dec. | 45.1 | 195.3 | 45.1 | 285.4 | 25.3 | 165.9 | 36.3 | 227.5 | 57.9 |

Note: The external position is the difference between assets and liabilities vis-à-vis non-residents recorded in the balance sheet. The statistics are compiled on the basis of activities in Denmark, thus including accounts with the banks' foreign

units. Exclusive of guarantees included in the balance sheet until end-December 1990.

¹⁾ Until end-December 1990 including bonds, which are thereafter included under "Other accounts".

*Distribution by currency and country
of the banks' external accounts*

| End of period | Assets | | | Liabilities | | |
|---|---------------|--------------|-------------------|---------------|--------------|-------------------|
| | March 1992 | June 1992 | September 1992 | March 1992 | June 1992 | September 1992 |
| | Kr. billion | | | | | |
| Distribution by currency | | | | | | |
| <i>In kroner</i> | | | | | | |
| with own units | 20.9 | 27.2 | 20.4 | 4.1 | 3.8 | 1.7 |
| with other banks, etc. | 18.7 | 19.8 | 16.4 | 12.3 | 13.6 | 12.7 |
| with non-banks | 6.6 | 7.1 | 7.1 | 9.2 | 9.6 | 8.6 |
| In kroner, total | 46.1 | 54.2 | 43.9 | 25.7 | 26.9 | 23.0 |
| <i>In foreign currency</i> | | | | | | |
| with own units | 93.3 | 90.9 | 89.2 | 16.5 | 19.4 | 12.7 |
| with other banks, etc. | 69.7 | 76.1 | 57.1 | 184.9 | 174.8 | 147.1 |
| with non-banks | 45.0 | 42.6 | 42.3 | 14.6 | 15.2 | 16.1 |
| In foreign currency, total | 207.9 | 209.7 | 188.6 | 216.0 | 209.4 | 175.9 |
| Total | 254.0 | 263.8 | 232.5 | 241.7 | 236.3 | 198.9 |
| Distribution by country | | | | | | |
| Belgium | 3.7 | 4.9 | 3.7 | 14.2 | 15.4 | 14.3 |
| Germany | 10.7 | 17.0 | 14.3 | 24.3 | 22.4 | 16.4 |
| France | 4.3 | 4.2 | 5.0 | 6.8 | 8.1 | 6.8 |
| Greece | 0.3 | 0.3 | 0.4 | 0.2 | 0.1 | 0.2 |
| Netherlands | 2.3 | 3.5 | 2.2 | 11.3 | 11.0 | 9.8 |
| Ireland | 15.6 | 14.7 | 16.8 | 0.7 | 0.8 | 0.7 |
| Italy | 4.4 | 4.2 | 2.5 | 4.9 | 4.5 | 4.3 |
| Luxembourg | 18.3 | 19.7 | 17.2 | 23.8 | 20.5 | 19.9 |
| Portugal | 1.4 | 1.6 | 0.8 | 0.3 | 0.5 | 0.3 |
| Spain | 2.1 | 2.8 | 2.6 | 2.2 | 2.4 | 1.7 |
| UK | 31.9 | 37.3 | 29.1 | 39.8 | 37.1 | 31.3 |
| <i>EEC countries, total</i> | <i>94.9</i> | <i>110.1</i> | <i>94.5</i> | <i>128.3</i> | <i>122.9</i> | <i>105.8</i> |
| Finland | 4.1 | 4.5 | 4.1 | 1.2 | 1.6 | 1.8 |
| Norway | 6.0 | 7.0 | 5.7 | 2.4 | 1.4 | 2.0 |
| Sweden | 22.1 | 22.7 | 21.1 | 1.9 | 4.0 | 3.7 |
| <i>Nordic countries, total¹⁾</i> | <i>32.4</i> | <i>34.4</i> | <i>30.9</i> | <i>5.6</i> | <i>7.0</i> | <i>7.6</i> |
| Canada | 5.8 | 4.3 | 1.8 | 1.2 | 1.2 | 1.1 |
| Japan | 2.7 | 3.1 | 3.8 | 0.6 | 1.4 | 0.1 |
| Switzerland | 9.7 | 8.5 | 5.6 | 12.8 | 11.4 | 10.5 |
| USA | 22.5 | 21.3 | 20.6 | 18.3 | 23.1 | 14.2 |
| Austria | 0.6 | 1.1 | 0.9 | 5.3 | 5.5 | 4.9 |
| Australia/New Zealand | 0.3 | 0.4 | 0.3 | 0.2 | 0.1 | 0.2 |
| OECD countries, total | 168.9 | 183.2 | 158.3 | 172.2 | 172.6 | 144.3 |
| Cayman Islands | 23.0 | 22.6 | 18.1 | 3.8 | 4.6 | 3.4 |
| Hong Kong | 5.0 | 2.6 | 2.9 | 1.0 | 0.8 | 0.9 |
| Singapore | 43.6 | 41.8 | 38.8 | 3.0 | 3.1 | 2.0 |
| Other Offshore Banking Centres | 0.1 | 0.1 | 0.2 | 1.1 | 1.3 | 0.9 |
| Gibraltar | 8.6 | 8.4 | 9.2 | 1.6 | 2.0 | 1.8 |
| Other European countries | 1.3 | 1.6 | 1.5 | 2.8 | 2.3 | 3.0 |
| Other Latin American countries | 0.1 | 0.1 | 0.2 | 0.1 | 0.1 | 0.2 |
| Other Middle East countries | 1.0 | 1.4 | 1.3 | 2.7 | 2.6 | 2.0 |
| Other African countries | 0.2 | 0.3 | 0.3 | 0.8 | 0.8 | 0.6 |
| Other Asian countries | 0.5 | 0.9 | 0.9 | 1.4 | 2.1 | 2.0 |
| Unallocated, etc. | 1.8 | 0.7 | 1.0 | 4.3 | 4.2 | 4.3 |
| International securities issues | • | • | • | 46.9 | 40.0 | 33.8 |
| Total | 254.0 | 263.8 | 232.5 | 241.7 | 236.3 | 198.9 |

Note: As reported to the Nationalbank by 7 banks representing approx. 90 per cent of the total external accounts. Compiled on the basis of the accounts of the parent company in Denmark. The statistics thus include accounts with the parent

company's branches and subsidiary banks abroad. Excluding guarantees and shares.

¹⁾ Including Iceland.

Distribution by country of the banks' external assets

19

(Consolidated statement)

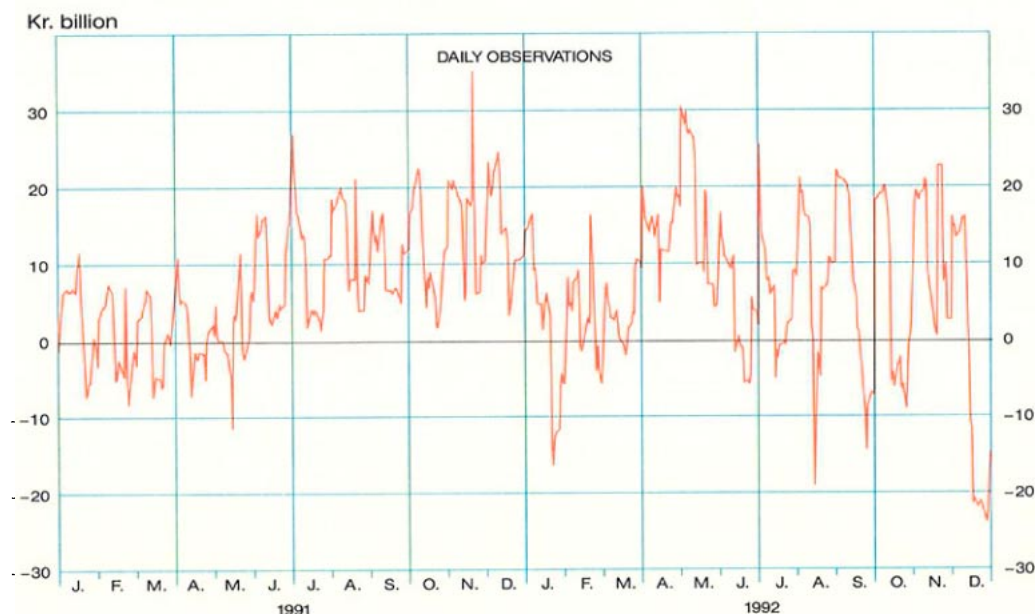
| End of period | December 1990 | June 1991 | December 1991 | June 1992 |
|---|------------------|--------------|------------------|--------------|
| | Kr. billion | | | |
| Belgium | 10.0 | 7.3 | 6.5 | 8.2 |
| Germany | 14.4 | 19.6 | 14.1 | 20.8 |
| France | 5.7 | 5.9 | 4.2 | 5.1 |
| Greece | 1.8 | 2.1 | 2.3 | 1.9 |
| Netherlands | 3.3 | 3.7 | 3.7 | 5.8 |
| Ireland | 1.3 | 1.7 | 0.8 | 1.8 |
| Italy | 4.3 | 4.7 | 4.4 | 4.4 |
| Luxembourg | 7.2 | 9.2 | 8.2 | 9.0 |
| Portugal | 0.6 | 0.9 | 1.2 | 1.7 |
| Spain | 2.5 | 3.4 | 2.9 | 3.2 |
| UK | 49.2 | 53.7 | 44.4 | 55.4 |
| <i>EEC countries, total</i> | <i>100.2</i> | <i>112.2</i> | <i>92.7</i> | <i>117.2</i> |
| Finland | 4.9 | 7.8 | 7.7 | 6.5 |
| Norway | 5.0 | 10.8 | 9.8 | 10.6 |
| Sweden | 20.5 | 28.0 | 29.3 | 26.8 |
| <i>Nordic countries, total¹⁾</i> | <i>30.9</i> | <i>47.2</i> | <i>47.5</i> | <i>44.8</i> |
| Canada | 1.4 | 1.9 | 2.5 | 4.9 |
| Japan | 8.4 | 7.7 | 6.3 | 6.7 |
| Switzerland | 7.8 | 7.9 | 6.2 | 8.5 |
| USA | 33.3 | 40.8 | 22.6 | 26.9 |
| Austria | 1.3 | 1.4 | 0.7 | 1.2 |
| Australia/New Zealand | 1.0 | 1.2 | 1.1 | 1.0 |
| OECD countries, total | 184.2 | 220.4 | 179.6 | 211.2 |
| Cayman Islands | 1.5 | 1.1 | 2.1 | 0.6 |
| Hong Kong | 4.0 | 5.3 | 3.3 | 5.2 |
| Singapore | 8.9 | 3.7 | 2.5 | 3.3 |
| Other Offshore Banking Centres | 1.1 | 1.5 | 1.4 | 1.1 |
| Gibraltar | 1.2 | 1.3 | 1.3 | 1.4 |
| Other European countries | 4.2 | 4.1 | 3.7 | 4.1 |
| Other Latin American countries | 0.7 | 1.4 | 1.4 | 1.4 |
| Other Middle East countries | 1.0 | 0.9 | 0.9 | 1.8 |
| Other African countries | 0.6 | 0.7 | 0.5 | 0.4 |
| Other Asian countries | 1.5 | 2.8 | 2.9 | 3.1 |
| Unallocated | 0.0 | 0.1 | 0.0 | 0.0 |
| Total | 208.8 | 243.3 | 199.6 | 233.7 |

Note: As reported to the Nationalbank by the 6 banks with the largest external accounts. Calculated on a consolidated basis, i.e. including branches and subsidiary banks abroad. Accounts between parent companies in Denmark and their foreign units, as well as external intra-group accounts, are thus ex-

cluded. Furthermore, accounts with residents and the claims of foreign units on local customers in local currency have been excluded. Excluding guarantees and shares.

¹⁾ Including Iceland.

The banks' net position with the Nationalbank



The banks' balances with the Nationalbank

| End of period ¹⁾ | Claims | | Debt | | | Total net position | Lending concerning decentralized bank-note holdings | Special deposits ⁴⁾ | Bond-repurchase accounts ⁵⁾ |
|-----------------------------|---------------------------------------|----------|---|--|---------------|--------------------|---|--------------------------------|--|
| | Certificates of deposit ²⁾ | Deposits | Drawings on current account ³⁾ | Repurchase agreements in government securities | Other lending | | | | |
| Kr. million | | | | | | | | | |
| 1982..... | • | 18 | 3 464 | • | 2 810 | - 6 256 | • | • | • |
| 1983..... | • | 57 | 2 886 | • | 2 567 | - 5 396 | • | • | • |
| 1984..... | • | 124 | 9 776 | • | — | - 9 652 | • | • | • |
| 1985..... | 23 777 | 9 | 14 521 | • | 8 231 | 1 034 | • | 3 263 | • |
| 1986..... | 7 811 | 33 | 6 929 | • | 35 514 | - 34 599 | • | 2 036 | • |
| 1987..... | — | 160 | 17 116 | • | 700 | - 17 656 | • | 754 | • |
| 1988..... | • | 5 884 | 612 | • | 700 | 4 572 | • | • | • |
| 1989..... | • | 351 | 17 913 | • | 475 | - 18 037 | 20 | • | 6 376 |
| 1990..... | • | 1 748 | 3 055 | • | — | - 1 307 | 1 013 | • | 8 764 |
| 1991..... | • | 14 369 | 5 | • | — | 14 364 | 1 085 | • | 2 016 |
| 1991 Oct..... | • | 12 373 | 6 | • | — | 12 367 | 786 | • | 2 319 |
| Nov. | • | 10 183 | 0 | • | — | 10 183 | 738 | • | 2 241 |
| Dec. | • | 14 370 | 5 | • | — | 14 365 | 1 085 | • | 2 016 |
| 1992 Jan. | • | 12 641 | 14 | 10 851 | 7 580 | - 5 804 | 819 | • | • |
| Feb. | • | 687 | 6 413 | — | — | - 5 726 | 711 | • | • |
| March .. | • | 9 431 | 59 | — | — | 9 372 | 807 | • | • |
| April ... | 22 414 | 922 | 3 | 5 881 | — | 17 452 | 1 040 | • | • |
| May | 15 133 | 1 122 | 143 | 11 809 | — | 4 303 | 900 | • | • |
| June | 22 978 | 522 | 34 | 21 510 | — | 1 956 | 805 | • | • |
| July | 29 141 | 524 | 56 | 21 439 | — | 8 170 | 859 | • | • |
| Aug. ... | 29 677 | 947 | 30 | 20 612 | — | 9 982 | 804 | • | • |
| Sept. ... | 1 328 | 4 464 | 10 | 13 069 | — | - 7 287 | 1 080 | • | • |
| Oct..... | 17 746 | 6 998 | 10 | 22 103 | — | 2 631 | 915 | • | • |
| Nov. ... | 25 683 | 600 | 11 | 14 513 | 9 224 | 2 535 | 843 | • | • |
| Dec. | 5 741 | 3 340 | 8 | 23 781 | — | - 14 708 | 1 073 | • | • |

Note: As from June 1991 including GiroBank.

¹⁾ The year-end figures are from the annual statements, while monthly figures are from the monthly balance sheets.

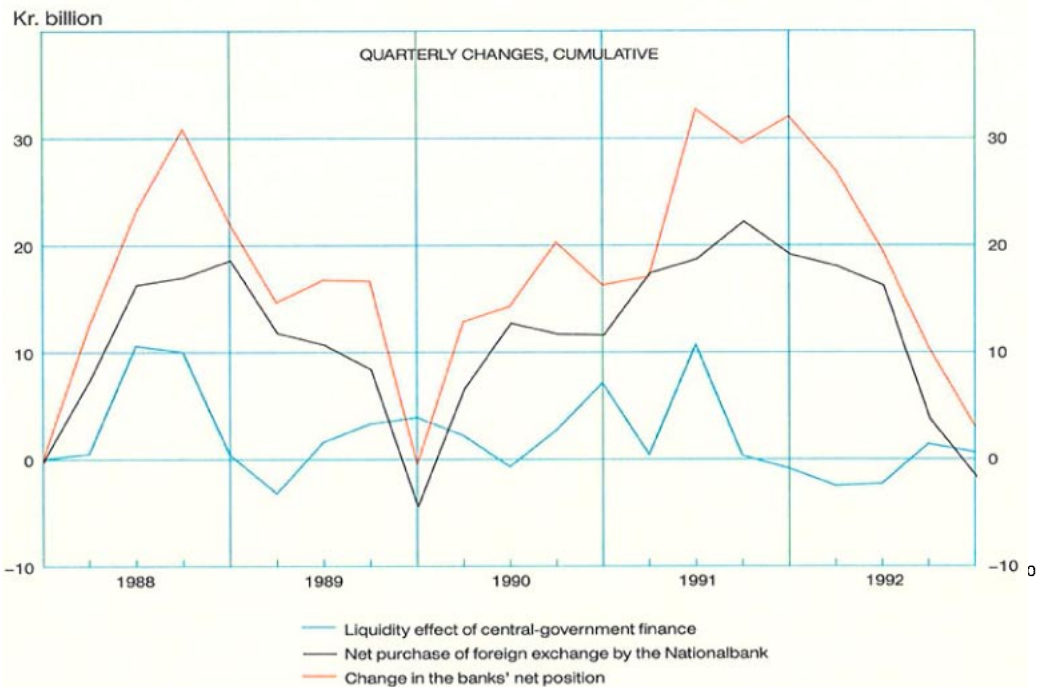
²⁾ Nominal value.

³⁾ Comprises loans within borrowing limits (until end-July 1985), borrowing on certificates of deposit (in the period as from August 1985 until end-July 1987), drawings on current account (in the period as from August 1987 until end-March 1992) and balances in connection with sales of securities denominated in foreign currency.

⁴⁾ As a consequence of amounts exceeding the basic rate of increase fixed for individual banks' domestic deposits, pursuant to the deposit monitoring system. The deposit monitoring system was suspended as from January 1988 and was discontinued on March 1, 1991.

⁵⁾ Proceeds from established bond-repurchase agreements, which were included in the same way as general deeds of pledge as security for current-account drawings.

Factors affecting the banks' net position
with the Nationalbank



| | Central-government finance | | | Net purchase of foreign exchange by the Nationalbank ³⁾ | The Nationalbank's bond purchases ⁴⁾ | Other factors ⁵⁾ | The banks' net position with the Nationalbank | |
|----------------|---|--|--------------------------------|--|---|-----------------------------|---|---------------|
| | Gross financing requirement ¹⁾ | Gross sales of government securities (-) | Liquidity effect ²⁾ | | | | Change | End of period |
| Kr. billion | | | | | | | | |
| 1983..... | 100.9 | - 101.1 | - 0.2 | 2.0 | 1.4 | - 2.3 | 0.9 | - 5.4 |
| 1984..... | 98.1 | - 103.9 | - 5.7 | 8.5 | - 1.5 | - 5.5 | - 4.3 | - 9.7 |
| 1985..... | 104.5 | - 103.2 | 1.3 | 11.9 | - 0.3 | - 2.2 | 10.7 | 1.0 |
| 1986..... | 54.3 | - 57.9 | - 3.6 | - 48.5 | 12.1 | 4.3 | - 35.6 | - 34.6 |
| 1987..... | 67.0 | - 60.4 | 6.6 | 16.0 | - 0.1 | - 5.6 | 16.9 | - 17.7 |
| 1988..... | 95.1 | - 94.7 | 0.4 | 18.8 | - 0.1 | 3.1 | 22.2 | 4.6 |
| 1989..... | 112.2 | - 108.7 | 3.6 | - 23.0 | - 0.3 | - 2.9 | - 22.6 | - 18.0 |
| 1990..... | 105.0 | - 101.8 | 3.2 | 16.0 | 2.0 | - 4.4 | 16.7 | - 1.3 |
| 1991..... | 106.3 | - 114.4 | - 8.0 | 7.5 | 12.0 | 4.2 | 15.7 | 14.4 |
| 1990 1st qtr.. | 20.4 | - 22.0 | - 1.7 | 11.0 | 0.0 | 4.0 | 13.3 | - 4.7 |
| 2nd " " | 44.5 | - 47.4 | - 2.9 | 6.1 | 0.7 | - 2.5 | 1.4 | - 3.3 |
| 3rd " " | 18.3 | - 14.9 | 3.4 | - 1.0 | 1.5 | 2.1 | 6.0 | 2.7 |
| 4th " " | 21.8 | - 17.4 | 4.4 | - 0.1 | - 0.2 | - 8.0 | - 4.0 | - 1.3 |
| 1991 1st qtr.. | 25.8 | - 32.5 | - 6.7 | 5.8 | 1.3 | 0.4 | 0.8 | - 0.5 |
| 2nd " " | 47.9 | - 37.6 | 10.3 | 1.3 | 0.5 | 3.5 | 15.6 | 15.1 |
| 3rd " " | 16.9 | - 27.3 | - 10.4 | 3.5 | 2.2 | 1.5 | - 3.2 | 11.9 |
| 4th " " | 15.7 | - 16.9 | - 1.2 | - 3.1 | 8.0 | - 1.2 | 2.5 | 14.4 |
| 1992 1st qtr.. | 36.2 | - 37.8 | - 1.6 | - 1.1 | - 7.2 | 4.8 | - 5.0 | 9.4 |
| 2nd " " | 35.2 | - 35.0 | 0.2 | - 1.8 | - 3.0 | - 2.8 | - 7.4 | 2.0 |
| 3rd " " | 29.7 | - 26.0 | 3.7 | - 12.5 | - 1.4 | 0.9 | - 9.2 | - 7.3 |
| 4th " " | 25.2 | - 26.0 | - 0.8 | - 5.4 | - 0.2 | - 1.0 | - 7.4 | - 14.7 |

¹⁾ Excluding redemption of foreign government loans. Also see p. 12, bottom, note 1.

²⁾ Central government's drawings on the Nationalbank adjusted for central government's net borrowing abroad and sales of ECU bonds.

³⁾ Increase in Denmark's international liquidity adjusted for central government's net borrowing abroad and sales of ECU bonds.

⁴⁾ Adjusted for the Nationalbank's trading in ECU bonds.

⁵⁾ Including *inter alia* changes in note and coin circulation, changes in the Nationalbank's accounts with the Danish Export Finance Corporation and the Kingdom of Denmark Mortgage Bank and until end-2nd quarter of 1991 fluctuations in Post Giro funds.

| End of period | Notes and coin ¹⁾ | Deposits with the banks ²⁾ | | | Money stock | Year-on-year increase in money stock |
|----------------|------------------------------|---------------------------------------|-------------|-----------------------------|--------------|--------------------------------------|
| | | On demand | At notice | Time deposits ³⁾ | | |
| | Kr. billion | | | | | Per cent |
| 1985 | 17.6 | 130.0 | 58.7 | 100.2 | 306.4 | 18.2 |
| 1986 | 18.8 | 140.6 | 58.1 | 115.9 | 333.4 | 8.8 |
| 1987 | 20.4 | 149.2 | 45.5 | 128.7 | 343.8 | 3.1 |
| 1988 | 21.9 | <u>184.9</u> | 42.0 | 107.7 | <u>356.5</u> | 3.7 |
| 1989 | 23.1 | 187.8 | 37.1 | 120.0 | 367.9 | 1.0 |
| 1990 | 23.6 | <u>202.8</u> | <u>42.4</u> | <u>122.2</u> | <u>391.0</u> | 6.3 |
| 1991 | 24.2 | 224.8 | 36.9 | 93.2 | 379.1 | 4.3 |
| 1991 Dec. | 24.2 | 224.5 | 36.9 | 93.8 | 379.4 | 3.9 |
| 1992 Jan. | 23.7 | 222.2 | 35.8 | 96.5 | 378.1 | 2.6 |
| Feb. | 23.4 | 218.7 | 35.3 | 99.8 | 377.2 | 2.8 |
| March ... | 22.7 | 220.5 | 34.9 | 102.0 | 380.2 | 3.0 |
| April | 24.4 | 234.8 | 35.6 | 101.0 | 395.7 | 3.3 |
| May | 24.3 | 230.8 | 36.0 | 103.4 | 394.4 | - 0.6 |
| June | 24.6 | 227.2 | 34.4 | 101.9 | 388.1 | - 0.4 |
| July. | 24.4 | 233.3 | 33.9 | 101.5 | 393.2 | 1.2 |
| Aug. | 23.5 | 229.2 | 35.3 | 105.9 | 393.8 | 4.1 |
| Sept. | 23.5 | 223.8 | 35.3 | 104.1 | 386.8 | 1.7 |
| Oct. | 24.2 | 227.4 | 33.8 | 116.5 | 401.8 | 2.8 |
| Nov. | 24.2 | 225.2 | 34.0 | 112.1 | 395.5 | 2.5 |
| Dec. | 25.0 | 218.3 | 33.5 | 97.1 | 373.9 | - 1.5 |

Note: In the calculation of the rates of increase adjustment has been made for breaks in series. Until end-1990 including mortgage-credit institutes' deposits with the banks.

1) Notes and coin in circulation, excluding the banks' holdings.

2) Including deposits with Post Giro. Accounts with residents in

domestic units in kroner and foreign exchange. Excluding tax-privileged deposits, apart from premium-savings accounts.

3) Including bonds, etc. with an original maturity of up to 2 years.

Factors affecting the money stock

| | Central government's drawings on the Nationalbank ¹⁾ | Increase in bank lending ²⁾ | Bond purchases ³⁾ | Increase (-) in tax-privileged deposits, etc. ⁴⁾ | Increase (-) in deposits from mortgage-credit institutes, etc. | Change in the external position of the banks | Change in Denmark's international liquidity, etc. ⁵⁾ | Other factors ⁷⁾ | Total change in money stock |
|----------------|---|--|------------------------------|---|--|--|---|-----------------------------|-----------------------------|
| Kr. billion | | | | | | | | | |
| 1985 | 1.3 | 32.0 | 20.8 | - 10.5 | • | - 5.6 | 13.2 | - 3.9 | 47.2 |
| 1986 | - 3.6 | 69.7 | 8.2 | - 5.2 | • | - 1.2 | - 51.8 | 11.0 | 27.0 |
| 1987 | 6.6 | 30.0 | - 30.2 | - 5.7 | • | 4.1 | 14.6 | - 9.1 | 10.4 |
| 1988 | 0.4 | - 4.0 | 17.5 | - 8.2 | • | - 2.0 | 22.4 | - 13.5 | 12.7 |
| 1989 | 3.6 | 30.0 | 11.6 | - 5.9 | • | - 6.9 | - 19.3 | - 9.4 | 3.7 |
| 1990 | 3.2 | 31.8 | - 25.6 | - 5.4 | • | 9.5 | 22.2 | - 12.6 | 23.0 |
| 1991 | - 8.0 | 1.7 | 7.0 | - 6.1 | - 6.5 | 11.5 | 13.7 | - 25.1 | - 11.9 |
| 1992 | 1.5 | - 4.9 | - 29.2 | - 4.1* | 5.9* | 48.4* | - 15.5 | - 7.3* | - 5.2* |
| 1991 4th qtr.. | - 1.2 | 17.0 | 11.3 | - 7.7 | - 5.7 | - 10.1 | - 0.9 | - 3.8 | - 1.0 |
| 1992 1st qtr.. | - 1.6 | - 5.1 | - 8.1 | 1.7 | 6.8 | 13.5 | - 0.2 | - 5.9 | 1.1 |
| 2nd ,, . | 0.2 | 6.2 | - 14.5 | - 0.6 | - 1.8 | 18.6 | 0.4 | - 0.7 | 7.9 |
| 3rd ,, . | 3.7 | - 8.4 | - 5.4 | 0.6 | 7.1 | 15.8 | - 11.9 | - 2.8 | - 1.3 |
| 4th ,, . | - 0.8 | 2.5 | - 1.3 | - 5.8* | - 6.3* | 0.5* | - 3.8 | 2.2* | - 12.9* |

1) Adjusted for central government's net borrowing abroad and sales of ECU bonds, i.e. equivalent to the sum of the last three columns in the bottom half of page 12.

2) Until end-1990 including lending to mortgage-credit institutes, etc.

3) The Nationalbank, the banks, the Kingdom of Denmark Mortgage Bank and Post Giro.

4) Adjusted for the Nationalbank's trading in ECU bonds.

5) Excluding premium-savings accounts, and with the addition of bonds with an original maturity of more than 2 years.

6) Corrected for exchange-rate adjustment, etc. of the international liquidity as well as net borrowing abroad by the central government, the Kingdom of Denmark Mortgage Bank and the Danish Export Finance Corporation. Furthermore adjusted for the central government's sales of ECU bonds.

7) Residual amounts, including *inter alia* increases in lending by the Kingdom of Denmark Mortgage Bank and the Danish Export Finance Corporation, increases in bank holdings of uncleared cheques, additions to the banks' net capital and subordinate capital investments from residents.

| End of period | Lending in kroner ¹⁾ | Krone bonds ²⁾ | Tax-privileged deposits (-) ³⁾ | Total | Change in relation to the previous year ⁴⁾ |
|----------------|---------------------------------|---------------------------|---|--------------|---|
| | Kr. billion | | | | |
| 1986 Dec. | 284.4 | 178.5 | 74.1 | 388.8 | • |
| 1987 „ | 315.5 | 135.6 | 79.4 | 371.7 | - 8.1 |
| 1988 „ | 313.4 | 151.7 | 87.2 | 377.9 | 5.5 |
| 1989 „ | 334.5 | 169.2 | 92.3 | 411.5 | 28.8 |
| 1990 „ | <u>356.3</u> | 138.9 | 98.1 | <u>397.1</u> | - 10.1 |
| 1991 „ | 364.6 | 153.0 | 102.6 | 415.0 | 3.1 |
| 1992 „ | 336.6 | 145.1 | 107.2 | 374.6 | - 45.6 |
| 1991 1st qtr.. | 335.6 | 137.1 | 97.5 | 375.2 | - 4.5 |
| 2nd „ . | 347.8 | <u>133.3</u> | 97.4 | <u>383.6</u> | 0.9 |
| 3rd „ . | 340.8 | 150.8 | 96.4 | 395.2 | - 2.9 |
| 4th „ . | 364.6 | 153.0 | 102.6 | 415.0 | 3.1 |
| 1992 1st qtr.. | 351.9 | 158.0 | 101.3 | 408.6 | 9.4 |
| 2nd „ . | 363.6 | 149.3 | 101.9 | 411.0 | 5.3 |
| 3rd „ . | 347.8 | 146.1 | 101.0 | 392.8 | - 7.6 |
| 4th „ . | 336.6 | 145.1 | 107.2 | 374.6 | - 45.6 |

Note: Accounts with residents in the banks' domestic and foreign units.

1) Until end-December 1990 including lending to mortgage-credit institutes, etc.

2) Including bond-repurchase agreements between the Nationalbank and the banks.

3) Excluding premium-savings accounts.

4) Excluding value adjustment of krone bonds. Adjustment has been made for breaks in series.

Central government's net financing requirement and expansion of credit to the private sector, local governments, etc. through main sources of finance

| | Net sales of domestic government paper | Drawings on the Nationalbank ¹⁾ | Central government's net financing requirement ²⁾ | Net lending from the banks ³⁾ | | Net lending from mortgage-credit institutes, etc. ⁴⁾ | Foreign sources | | Credit expansion to the private sector and local governments, etc. total |
|----------------|--|--|--|--|------------------|---|----------------------------------|------------------------|--|
| | | | | Kroner | Foreign exchange | | Recorded borrowing ⁵⁾ | Supplier credits, etc. | |
| Kr. billion | | | | | | | | | |
| 1987..... | - 7.3 | 6.6 | - 0.7 | 31.1 | 12.2 | 54.0 | 9.1 | - 1.3 | 105.1 |
| 1988..... | 7.9 | 0.4 | 8.3 | - 2.1 | 20.0 | 52.0 | 7.6 | - 2.1 | 75.4 |
| 1989..... | 19.2 | 3.6 | 22.7 | 21.1 | 10.6 | 11.9 | 10.1 | - 3.4 | 50.3 |
| 1990..... | 22.8 | 3.2 | 25.9 | 21.8 | 20.2 | 21.0 | 21.3 | - 4.9 | 79.3 |
| 1991..... | 49.8 | - 8.0 | 41.8 | 8.3 | - 10.2 | 26.8 | 12.3 | 5.1 | 42.4 |
| 1992..... | 28.8 | 1.5 | 30.3 | - 28.0 | - 11.9 | 11.8 | 3.9 | - 9.7 | - 33.8 |
| 1991 1st qtr.. | 19.3 | - 6.7 | 12.6 | - 20.7 | 6.4 | 9.8 | - 3.0 | 0.0 | - 7.6 |
| 2nd „ . | 9.1 | 10.3 | 19.4 | 12.1 | 1.0 | 12.5 | 2.0 | 2.4 | 30.2 |
| 3rd „ . | 15.7 | - 10.4 | 5.2 | - 7.0 | - 7.2 | 2.3 | 5.7 | 0.6 | - 5.5 |
| 4th „ . | 5.9 | - 1.2 | 4.7 | 23.8 | - 10.4 | 2.2 | 7.6 | 2.2 | 25.4 |
| 1992 1st qtr.. | 8.3 | - 1.6 | 6.8 | - 12.7 | - 2.9 | 2.6 | 10.1 | - 3.6 | - 6.5 |
| 2nd „ . | 20.8 | 0.2 | 21.0 | 11.7 | - 13.1 | 6.1 | 5.5 | - 2.3 | 7.9 |
| 3rd „ . | - 2.7 | 3.7 | 1.0 | - 15.8 | 0.7 | 2.2 | - 8.9 | - 2.0 | - 24.0 |
| 4th „ . | 2.4 | - 0.8 | 1.6 | - 11.1 | 3.4 | 1.0 | - 2.7 | - 1.8 | - 11.2 |

1) Central-government drawings on the Nationalbank adjusted for net borrowing abroad by the central government and sales of ECU bonds.

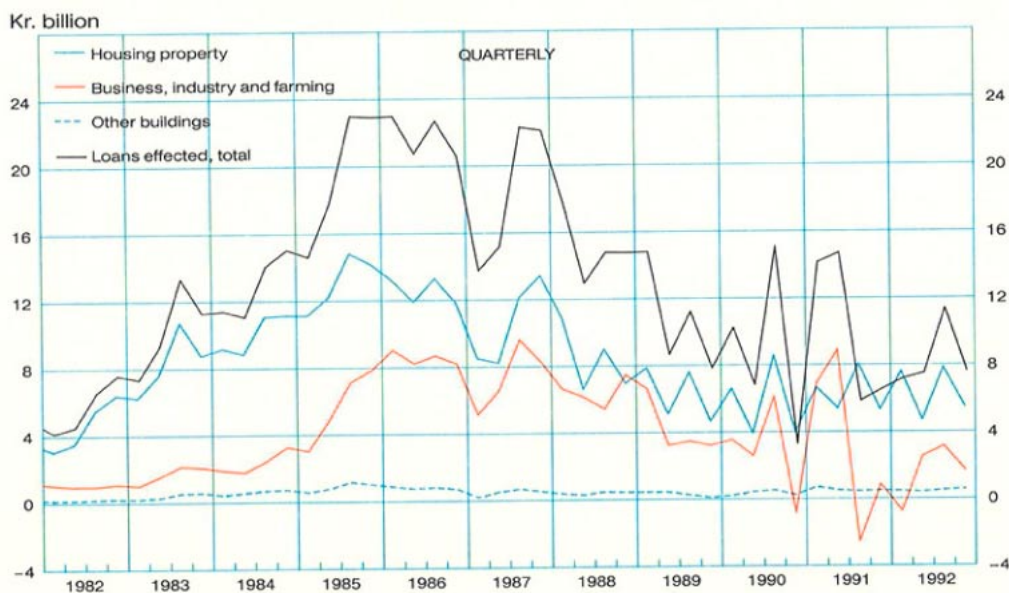
2) See p. 12, bottom.

3) Including Danish banks' foreign units. Until end-1990 including lending to mortgage-credit institutes, etc.

4) Net supply of quoted krone bonds, excluding government paper.

5) Borrowing abroad by companies and private individuals, as well as by local governments and public utilities, with deduction of borrowing from Danish banks' foreign units.

Lending activities of mortgage-credit institutes



| | Loans offered ¹⁾ | Loans effected ²⁾ | | | | | | | | | Total |
|---------------|-----------------------------|------------------------------|--------------------------|---------------------|-------|---------------|--------------------------------|----------------|-----------------|-----------------------|-------|
| | | Housing property | | | | | Business, industry and farming | | Other buildings | | |
| | | Owner-occupied | | | | Rental houses | Total | Farm buildings | | Business and industry | |
| | | New building | Rebuilding and extension | Change of ownership | Other | | | | | | |
| Kr. billion | | | | | | | | | | | |
| 1983 | 49.3 | 4.2 | 5.5 | 15.6 | 0.6 | 7.4 | 33.3 | 2.9 | 3.9 | 1.6 | 41.8 |
| 1984 | 62.9 | 5.5 | 8.8 | 17.6 | 0.5 | 7.8 | 40.2 | 3.6 | 5.8 | 2.4 | 52.1 |
| 1985 | 116.6 | 9.6 | 12.7 | 19.6 | 1.6 | 9.0 | 52.3 | 7.4 | 15.5 | 3.6 | 78.8 |
| 1986 | 112.8 | 12.1 | 7.9 | 19.3 | 0.8 | 10.2 | 50.2 | 12.7 | 21.5 | 3.2 | 87.6 |
| 1987 | 85.9 | 15.5 | 3.4 | 15.0 | 0.0 | 10.8 | 42.3 | 8.1 | 21.5 | 2.0 | 73.8 |
| 1988 | 56.0 | 8.6 | 2.5 | 13.1 | 0.1 | 12.1 | 33.5 | 6.2 | 19.5 | 1.6 | 60.9 |
| 1989 | 61.4 | 5.3 | 1.6 | 11.4 | 0.1 | 12.0 | 25.2 | 5.2 | 11.3 | 1.3 | 43.0 |
| 1990 | 59.1 | 2.6 | 1.1 | 11.8 | 0.1 | 13.6 | 23.1 | 4.3 | 7.1 | 1.4 | 36.0 |
| 1991 | 53.8 | 1.7 | 0.9 | 18.5 | 0.3 | 14.1 | 25.5 | 4.4 | 9.7 | 2.2 | 41.8 |
| 1992 | 63.6 | 1.0 | 1.2 | 19.7 | 3.9 | 12.7 | 25.7 | 2.9 | 3.7 | 2.0 | 34.2 |
| 1990 1st qtr. | 15.2 | 0.7 | 0.3 | 2.0 | 0.0 | 4.9 | 6.6 | 1.4 | 2.2 | 0.2 | 10.4 |
| 2nd „ | 17.1 | 0.7 | 0.3 | 2.3 | 0.0 | 1.7 | 3.9 | 0.9 | 1.7 | 0.4 | 7.0 |
| 3rd „ | 12.0 | 0.8 | 0.3 | 3.8 | 0.0 | 5.4 | 8.6 | 1.4 | 4.8 | 0.5 | 15.2 |
| 4th „ | 14.8 | 0.4 | 0.2 | 3.6 | 0.0 | 1.6 | 4.0 | 0.7 | - 1.5 | 0.2 | 3.4 |
| 1991 1st qtr. | 14.6 | 0.4 | 0.2 | 3.3 | 0.0 | 4.8 | 6.7 | 1.5 | 5.4 | 0.7 | 14.3 |
| 2nd „ | 11.0 | 0.4 | 0.2 | 4.1 | 0.1 | 2.7 | 5.4 | 2.2 | 6.7 | 0.5 | 14.8 |
| 3rd „ | 11.7 | 0.4 | 0.2 | 5.6 | 0.1 | 4.8 | 8.1 | 0.0 | - 2.6 | 0.5 | 6.0 |
| 4th „ | 16.5 | 0.5 | 0.3 | 5.5 | 0.1 | 1.8 | 5.3 | 0.7 | 0.2 | 0.5 | 6.7 |
| 1992 1st qtr. | 20.5 | 0.3 | 0.3 | 5.2 | 0.1 | 4.6 | 7.6 | 0.7 | - 1.4 | 0.5 | 7.3 |
| 2nd „ | 19.3 | 0.2 | 0.2 | 5.3 | 0.0 | 1.9 | 4.7 | 0.6 | 2.0 | 0.4 | 7.6 |
| 3rd „ | 10.0 | 0.3 | 0.4 | 5.1 | 2.1 | 3.7 | 7.8 | 0.8 | 2.3 | 0.5 | 11.5 |
| 4th „ | 13.7 | 0.2 | 0.4 | 4.0 | 1.7 | 2.4 | 5.5 | 0.8 | 0.9 | 0.6 | 7.8 |

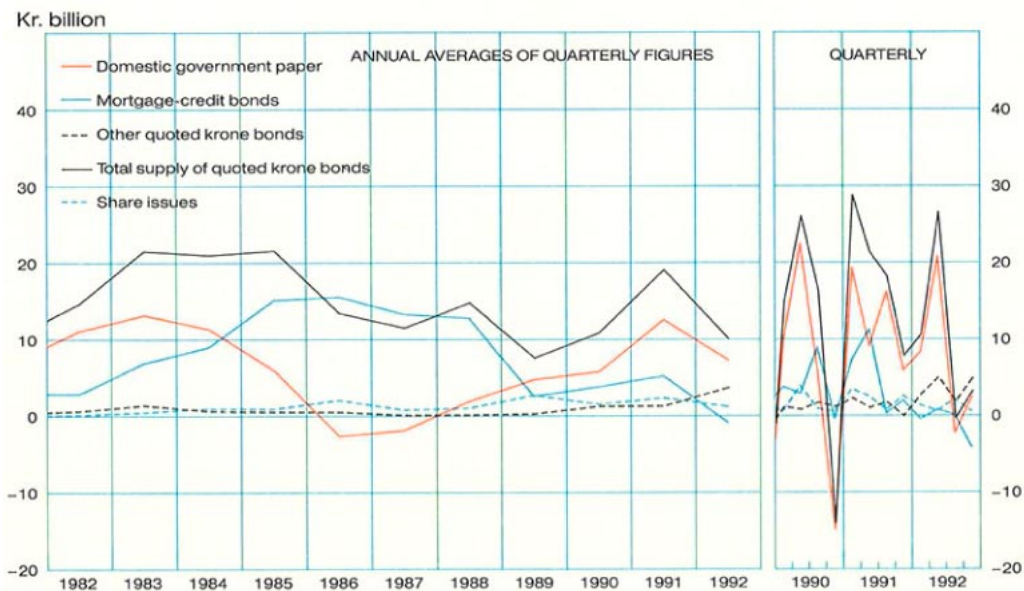
1) Cash value. New binding offers less offsets of any outstanding mortgage debt to the institute to be redeemed out of the proceeds from new loans. Deductions have also been made for refused loan applications as well as for unutilized and reduced offers.

2) Market value on the date the loan was effected. Gross loan pro-

ceeds less offsets, as well as extraordinary redemptions as from 1987. The latter does not, however, apply to the distribution of owner-occupied property according to purpose. The total for housing property therefore deviates from the sum of the figures for owner-occupied and rental properties.

Net supply of quoted krone bonds at market value
and issues of shares

25



| | Net supply of quoted krone bonds at market value | | | | Taken up by: | | | | | Share issues |
|-------------------|--|-----------------------|--------------------------|--------|---------------------------------|-------------------------|--|---------------------------------------|--|--------------|
| | Domestic government paper ¹⁾ | Mortgage-credit bonds | Other quoted krone bonds | Total | The National-bank ²⁾ | The banks ²⁾ | Social funds ³⁾ , Post Giro and the K o D Mortgage Bank | Insurance companies and pension funds | Business and private investors ⁴⁾ | |
| | Kr. billion | | | | | | | | | |
| 1983 | 53.0 | 27.5 | 6.3 | 86.9 | 1.4 | 39.0 | 13.6 | 18.6 | 14.4 | 1.9 |
| 1984 | 45.6 | 35.9 | 3.2 | 84.7 | - 1.5 | 17.3 | 15.1 | 18.3 | 35.6 | 3.9 |
| 1985 | 24.0 | 60.4 | 2.8 | 87.2 | - 0.3 | 20.7 | 12.4 | 19.9 | 34.6 | 3.7 |
| 1986 | - 10.4 | 62.2 | 2.7 | 54.4 | 12.1 | - 7.4 | 16.7 | 16.4 | 16.7 | 8.3 |
| 1987 | - 7.3 | 53.0 | 1.0 | 46.7 | - 0.1 | - 33.6 | 12.7 | 13.2 | 54.6 | 3.0 |
| 1988 | 7.9 | 50.9 | 1.1 | 59.9 | - 0.1 | 15.7 | 12.3 | 14.1 | 17.9 | 4.0 |
| 1989 | 19.2 | 10.2 | 1.7 | 31.1 | - 0.3 | 10.5 | 11.5 | 8.3 | 1.0 | 10.7 |
| 1990 | 23.3 | 15.2 | 5.8 | 44.3 | 2.0 | - 25.5 | 10.2 | 5.8 | 51.7 | 6.1 |
| 1991 | 50.3 | 20.9 | 5.9 | 77.1 | 12.0 | - 0.3 | 9.2 | 1.8 | 54.4 | 9.3 |
| 1992 | 29.2 | - 3.6 | 15.4 | 41.0 | - 11.8 | - 11.2 | 1.9 | 62.1 | | 4.7 |
| 1990 1st qtr. ... | 9.9 | 3.8 | 1.4 | 15.1 | 0.0 | - 16.4 | 6.0 | 7.4 | 18.1 | 0.7 |
| 2nd " ... | 22.4 | 2.9 | 1.1 | 26.3 | 0.7 | 2.0 | 2.7 | 0.7 | 20.2 | 3.9 |
| 3rd " ... | 5.7 | 8.9 | 2.0 | 16.6 | 1.5 | - 4.0 | 3.9 | 3.2 | 12.0 | 1.0 |
| 4th " ... | - 14.8 | - 0.4 | 1.4 | - 13.8 | - 0.2 | - 7.1 | - 2.4 | - 5.5 | 1.3 | 0.5 |
| 1991 1st qtr. ... | 19.3 | 7.3 | 2.5 | 29.1 | 1.3 | - 0.7 | 6.4 | 7.2 | 14.9 | 3.5 |
| 2nd " ... | 9.1 | 11.3 | 1.3 | 21.6 | 0.5 | - 3.6 | 0.4 | 0.5 | 23.8 | 2.5 |
| 3rd " ... | 16.1 | 0.3 | 2.0 | 18.5 | 2.2 | - 0.4 | 3.1 | 2.8 | 10.7 | 0.8 |
| 4th " ... | 5.9 | 2.0 | 0.2 | 8.0 | 8.0 | 4.4 | - 0.8 | - 8.6 | 5.0 | 2.6 |
| 1992 1st qtr. ... | 8.3 | - 0.5 | 3.0 | 10.9 | - 7.2 | - 0.4 | 5.3 | - 0.5 | 13.8 | 1.3 |
| 2nd " ... | 20.8 | 0.8 | 5.2 | 26.8 | - 3.0 | - 8.5 | - 0.6 | 3.1 | 35.9 | 0.6 |
| 3rd " ... | - 2.3 | 0.1 | 2.1 | - 0.1 | - 1.4 | - 1.7 | - 2.7 | 5.7 | | 2.2 |
| 4th " ... | 2.4 | - 4.1 | 5.1 | 3.4 | - 0.2 | - 0.5 | 0.0 | 4.1 | | 0.6 |

¹⁾ Including Treasury notes and bills.

²⁾ Adjusted for bond-repurchase agreements between the National-bank and the banks.

³⁾ Social Pension Fund, Supplementary (Labour Market) Pension Fund and Employees Capital Pension Fund.

⁴⁾ Calculated as residual amounts. Including net sale to abroad, see p. 9.

Circulating krone bonds quoted on the Stock Exchange

(Nominal values)

| End of period | Domestic government securities | | | | Mortgage-credit bonds | Other krone bonds | Total |
|----------------|--------------------------------|------------------------------|----------------|-------|-----------------------|-------------------|---------|
| | Krone bonds | Treasury notes ¹⁾ | Treasury bills | Total | | | |
| | Kr. billion | | | | | | |
| 1982 | 167.8 | 36.2 | • | 204.0 | 379.0 | 27.9 | 610.8 |
| 1983 | 231.8 | 40.7 | • | 272.5 | 417.6 | 34.4 | 724.4 |
| 1984 | 293.5 | 37.8 | • | 331.3 | 468.3 | 38.0 | 837.6 |
| 1985 | 331.1 | 28.8 | • | 359.8 | 540.4 | 40.9 | 941.2 |
| 1986 | 323.6 | 27.5 | • | 351.1 | 608.7 | 43.7 | 1 003.5 |
| 1987 | 301.3 | 43.7 | • | 345.0 | 668.8 | 44.8 | 1 058.6 |
| 1988 | 299.5 | 54.1 | • | 353.6 | 724.0 | 46.0 | 1 123.6 |
| 1989 | 311.2 | 64.6 | • | 375.8 | 739.3 | 48.5 | 1 163.6 |
| 1990 | 315.4 | 68.9 | 21.4 | 405.6 | 762.8 | 55.7 | 1 224.1 |
| 1991 | 338.7 | 74.1 | 49.3 | 462.0 | 790.3 | 63.1 | 1 315.4 |
| 1992 | 375.0 | 71.2 | 55.5 | 501.7 | 794.4 | 80.1 | 1 376.2 |
| 1991 Oct. | 338.3 | 83.7 | 43.2 | 465.1 | 778.7 | 64.5 | 1 308.3 |
| Nov. | 338.7 | 74.1 | 49.3 | 462.0 | 783.5 | 63.6 | 1 309.1 |
| Dec. | 338.7 | 74.1 | 49.3 | 462.0 | 790.3 | 63.1 | 1 315.4 |
| 1992 Jan. | 343.1 | 74.7 | 62.1 | 479.8 | 780.8 | 62.9 | 1 323.6 |
| Feb. | 345.8 | 65.0 | 64.0 | 474.8 | 785.2 | 65.1 | 1 325.2 |
| March | 336.8 | 65.4 | 70.5 | 472.6 | 791.6 | 66.4 | 1 330.6 |
| April | 340.8 | 66.5 | 68.8 | 476.1 | 785.2 | 70.4 | 1 331.7 |
| May | 351.4 | 61.5 | 68.8 | 481.6 | 788.9 | 71.0 | 1 341.5 |
| June | 364.4 | 62.9 | 68.8 | 496.1 | 793.8 | 71.8 | 1 361.7 |
| July | 371.3 | 64.7 | 61.1 | 497.0 | 785.7 | 72.2 | 1 355.0 |
| Aug. | 362.5 | 57.2 | 61.1 | 480.8 | 793.6 | 73.0 | 1 347.5 |
| Sept. | 373.5 | 62.6 | 61.1 | 497.2 | 796.6 | 74.3 | 1 368.1 |
| Oct. | 383.4 | 76.8 | 55.5 | 515.7 | 789.4 | 76.3 | 1 381.4 |
| Nov. | 376.6 | 70.1 | 55.5 | 502.1 | 792.3 | 82.3 | 1 376.7 |
| Dec. | 375.0 | 71.2 | 55.5 | 501.7 | 794.4 | 80.1 | 1 376.2 |

Note: For index-linked bonds the nominal value includes indexation. ¹⁾ Bonds with an original maturity of 1 and 2 years.

Registrations of mortgage deeds on real property

| | Mortgage deeds registered to | | | | | | Mortgagor ²⁾ | Buyers' mortgages to sellers | Total registrations |
|----------------|------------------------------|-----------|---------------------------------------|--|--|-----------------|-------------------------|------------------------------|---------------------|
| | Mortgage-credit institutes | The banks | Insurance companies and pension funds | Central government and local authorities | Housing Corporations' National Building Fund, etc. ¹⁾ | Other mortgages | | | |
| | Kr. billion | | | | | | | | |
| 1982 | 28.8 | 0.7 | 0.5 | 1.9 | 1.3 | 0.3 | 17.7 | 5.3 | 56.6 |
| 1983 | 50.6 | 0.7 | 0.3 | 2.3 | 1.3 | 0.2 | 20.0 | 4.1 | 79.4 |
| 1984 | 60.7 | 0.8 | 0.3 | 1.9 | 1.0 | 0.3 | 26.2 | 3.7 | 94.9 |
| 1985 | 86.7 | 2.6 | 0.8 | 1.8 | 1.0 | 0.7 | 34.5 | 5.2 | 133.4 |
| 1986 | 105.8 | 4.9 | 2.1 | 1.8 | 0.8 | 1.2 | 44.5 | 6.8 | 167.9 |
| 1987 | 86.9 | 3.9 | 0.2 | 1.8 | 1.3 | 0.3 | 33.4 | 3.7 | 131.4 |
| 1988 | 81.4 | 7.5 | 0.6 | 2.1 | 1.0 | 2.5 | 30.7 | 2.7 | 128.5 |
| 1989 | 80.2 | 9.1 | 0.8 | 1.8 | 1.0 | 2.3 | 25.8 | 2.3 | 123.3 |
| 1990 | 75.8 | 11.6 | 2.1 | 2.0 | 0.7 | 2.4 | 20.2 | 2.3 | 117.1 |
| 1991 | 89.7 | 12.5 | 2.8 | 1.3 | 0.5 | 3.1 | 17.8 | 2.2 | 129.8 |
| 1991 3rd qtr.. | 22.2 | 3.0 | 0.5 | 0.3 | 0.1 | 0.6 | 3.9 | 0.6 | 31.3 |
| 4th „ . | 22.4 | 2.8 | 0.7 | 0.4 | 0.1 | 0.4 | 5.2 | 0.5 | 32.6 |
| 1992 1st qtr.. | 22.3 | 3.0 | 0.4 | 0.4 | 0.1 | 0.6 | 6.9 | 0.5 | 34.1 |
| 2nd „ . | 21.3 | 2.3 | 0.6 | 0.3 | 0.1 | 0.4 | 5.5 | 0.5 | 31.0 |
| 3rd „ . | 23.4 | 2.8 | 0.3 | 0.3 | 0.1 | 0.3 | 5.3 | 0.5 | 32.9 |

¹⁾ Including the Rental Houseowners' Investment Fund and the Hotel Finance Institute.

²⁾ Mortgagor and mortgagee are identical. These mortgage deeds are widely used as security for bank loans.

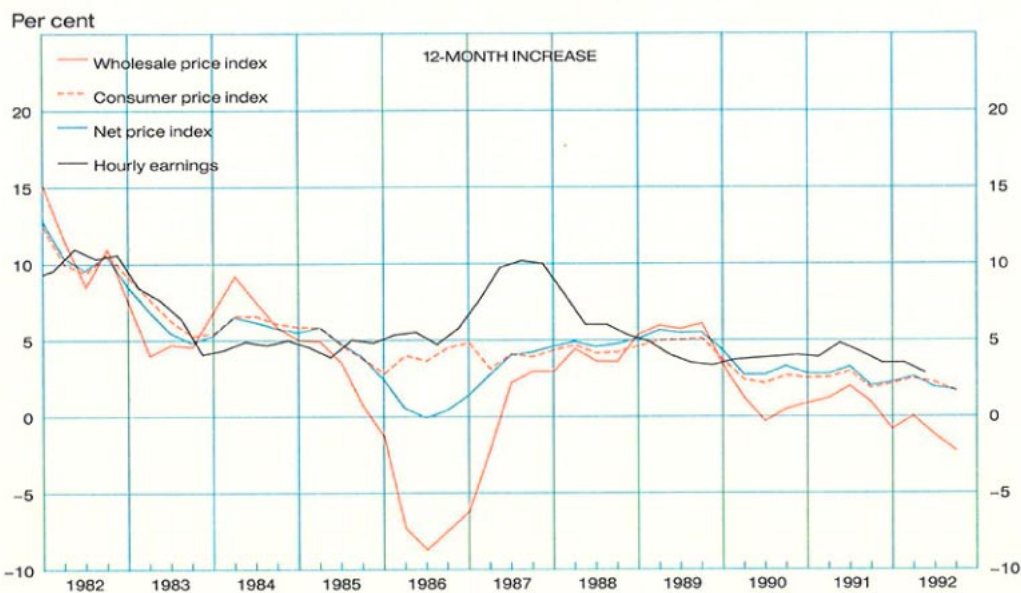
| End of period | Assets | | | | | | | |
|---------------|--------------|------------|----------------|----------------------------------|---------------------------|---|--------------|-------|
| | Cash in hand | Securities | Lending | | Guarantees, as per contra | Real property, machinery, equipment, etc. ²⁾ | Other assets | Total |
| | | | Business loans | Non-business loans ¹⁾ | | | | |
| | Kr. billion | | | | | | | |
| 1984..... | 0.7 | 0.4 | 2.0 | 1.1 | 0.1 | 1.0 | 0.2 | 5.5 |
| 1985..... | 1.7 | 0.1 | 2.8 | 1.9 | 0.1 | 1.4 | 0.3 | 8.4 |
| 1986..... | 2.3 | 0.3 | 4.5 | 3.9 | 0.1 | 1.8 | 0.6 | 13.4 |
| 1987..... | 0.9 | 0.2 | 5.6 | 5.1 | 0.3 | 2.1 | 1.1 | 15.2 |
| 1988..... | 1.3 | 0.0 | 5.3 | 4.8 | 2.0 | 1.8 | 1.7 | 16.8 |
| 1989..... | 0.2 | 0.1 | 5.4 | 5.2 | 3.2 | 2.0 | 1.9 | 17.9 |
| 1990..... | 0.2 | 0.2 | 6.1 | 5.8 | 4.8 | 1.0 | 2.3 | 20.5 |
| 1991..... | 0.2 | 0.0 | 6.2 | 5.6 | 0.0 | 0.9 | 0.4 | 13.3 |
| 1992..... | 0.2 | 0.1 | 7.3 | 5.6 | 0.4 | 0.7 | 0.3 | 14.7 |
| 1990 March.. | 0.1 | 0.1 | 5.5 | 5.1 | 3.3 | 2.0 | 1.7 | 17.7 |
| June.... | 0.2 | 0.1 | 6.2 | 5.8 | 3.9 | 1.5 | 1.9 | 19.6 |
| Sept.... | 0.2 | 0.1 | 6.1 | 5.9 | 4.5 | 1.1 | 1.9 | 19.8 |
| Dec.... | 0.2 | 0.2 | 6.1 | 5.8 | 4.8 | 1.0 | 2.3 | 20.5 |
| 1991 March.. | 0.1 | 0.1 | 6.2 | 5.8 | 0.0 | 1.0 | 0.2 | 13.4 |
| June.... | 0.1 | 0.1 | 6.2 | 5.7 | 0.0 | 1.0 | 0.4 | 13.5 |
| Sept.... | 0.1 | 0.1 | 6.0 | 5.8 | 0.0 | 1.0 | 0.4 | 13.4 |
| Dec.... | 0.2 | 0.0 | 6.2 | 5.6 | 0.0 | 0.9 | 0.4 | 13.3 |
| 1992 March.. | 0.2 | 0.1 | 7.4 | 5.5 | 0.0 | 0.8 | 0.3 | 14.3 |
| June.... | 0.4 | 0.1 | 7.5 | 5.6 | 0.0 | 0.7 | 0.3 | 14.6 |
| Sept.... | 0.3 | 0.1 | 7.9 | 5.2 | 0.0 | 0.8 | 0.3 | 14.6 |
| Dec.... | 0.2 | 0.1 | 7.3 | 5.6 | 0.4 | 0.7 | 0.3 | 14.7 |

| End of period | Liabilities | | | | | | Total |
|---------------|-------------------|---------|---------------------------|-------------------|---------|--|-------|
| | Debt to the banks | | Guarantees, as per contra | Other liabilities | | Net capital and subordinate loan capital | |
| | Domestic | Foreign | | Domestic | Foreign | | |
| | Kr. billion | | | | | | |
| 1984..... | 1.9 | 0.8 | 0.1 | 1.4 | 0.7 | 0.8 | 5.5 |
| 1985..... | 2.7 | 2.2 | 0.1 | 1.7 | 0.6 | 1.1 | 8.4 |
| 1986..... | 6.9 | 2.6 | 0.1 | 1.2 | 1.2 | 1.4 | 13.4 |
| 1987..... | 7.2 | 2.1 | 0.3 | 1.8 | 2.0 | 1.9 | 15.2 |
| 1988..... | 7.2 | 2.2 | 2.0 | 2.6 | 1.0 | 1.9 | 16.8 |
| 1989..... | 8.0 | 1.7 | 3.2 | 1.7 | 1.1 | 2.1 | 17.9 |
| 1990..... | 9.3 | 0.6 | 4.8 | 1.8 | 1.0 | 3.0 | 20.5 |
| 1991..... | 9.6 | 0.5 | 0.0 | 0.7 | 0.9 | 1.5 | 13.3 |
| 1992..... | 10.8 | — | 0.4 | 1.3 | 0.6 | 1.6 | 14.7 |
| 1990 March... | 8.1 | 1.1 | 3.3 | 2.0 | 1.1 | 2.1 | 17.7 |
| June.... | 9.1 | 1.3 | 3.9 | 1.4 | 1.0 | 3.0 | 19.6 |
| Sept.... | 9.5 | 0.4 | 4.5 | 1.3 | 1.0 | 3.2 | 19.8 |
| Dec.... | 9.3 | 0.6 | 4.8 | 1.8 | 1.0 | 3.0 | 20.5 |
| 1991 March... | 9.6 | 0.4 | 0.0 | 1.0 | 1.0 | 1.4 | 13.4 |
| June.... | 9.6 | 0.4 | 0.0 | 1.1 | 1.0 | 1.4 | 13.5 |
| Sept.... | 9.6 | 0.4 | 0.0 | 1.0 | 0.9 | 1.5 | 13.4 |
| Dec.... | 9.6 | 0.5 | 0.0 | 0.7 | 0.9 | 1.5 | 13.3 |
| 1992 March... | 10.5 | — | 0.0 | 1.3 | 1.3 | 1.2 | 14.3 |
| June.... | 11.0 | — | 0.0 | 1.0 | 1.1 | 1.5 | 14.6 |
| Sept.... | 10.7 | — | 0.0 | 1.1 | 1.4 | 1.5 | 14.6 |
| Dec.... | 10.8 | — | 0.4 | 1.3 | 0.6 | 1.6 | 14.7 |

Note: Includes approx. 15 finance companies. The statistics are influenced over time by the new establishment, merger and winding up of companies.

¹⁾ Including loans to self-employed persons for purchase of cars and consumer durables.

²⁾ Predominantly leasing assets. Leasing assets in bank-owned finance companies are partly covered by "Business loans".



| | Wholesale price index ¹⁾ | Consumer price index ²⁾ | Net price index ²⁾ | Hourly earnings ³⁾ | Wholesale price index ¹⁾ | Consumer price index ²⁾ | Hourly earnings ³⁾ | |
|----------------|-------------------------------------|------------------------------------|-------------------------------|-------------------------------|-------------------------------------|------------------------------------|-------------------------------|--------|
| | Year-on-year percentage increase | | | | 1980=100 | 1980=100 | Index 1980=100 | Kroner |
| 1982..... | 10.5 | 10.1 | 10.4 | 10.4 | 127.1 | 123.0 | 120 | 71.26 |
| 1983..... | 5.2 | 6.9 | 6.2 | 6.6 | 133.7 | 131.5 | 128 | 75.98 |
| 1984..... | 7.6 | 6.3 | 6.0 | 4.8 | 143.9 | 139.8 | 134 | 79.66 |
| 1985..... | 2.9 | 4.7 | 4.6 | 4.7 | 148.1 | 146.4 | 141 | 83.42 |
| 1986..... | - 6.8 | 3.6 | 0.7 | 5.4 | 138.1 | 151.7 | 148 | 87.89 |
| 1987..... | - 0.2 | 4.0 | 3.1 | 9.5 | 137.8 | 157.8 | 162 | 96.25 |
| 1988..... | 3.9 | 4.6 | 5.0 | 6.3 | 143.2 | 165.0 | 173 | 102.34 |
| 1989..... | 5.8 | 4.8 | 5.2 | 4.0 | 151.5 | 172.9 | 180 | 106.45 |
| 1990..... | 1.0 | 2.6 | 3.1 | 3.9 | 153.0 | 177.4 | 187 | 110.65 |
| 1991..... | 1.0 | 2.4 | 2.6 | 4.2 | 154.5 | 181.7 | 194 | 115.27 |
| 1989 Jan. | 5.4 | 4.6 | 5.1 | 5.0 | 147.5 | 168.7 | 176 | 104.26 |
| April ... | 5.9 | 4.9 | 5.6 | 4.1 | 150.4 | 171.9 | 179 | 106.33 |
| July | 5.8 | 5.0 | 5.5 | 3.6 | 152.2 | 172.6 | 180 | 106.86 |
| Oct. | 6.1 | 5.1 | 5.5 | 3.4 | 153.8 | 175.2 | 183 | 108.30 |
| 1990 Jan. | 3.3 | 3.7 | 4.3 | 3.8 | 152.4 | 174.9 | 183 | 108.20 |
| April ... | 1.2 | 2.4 | 2.7 | 3.9 | 152.2 | 176.0 | 186 | 110.47 |
| July | - 0.3 | 2.1 | 2.7 | 4.0 | 151.7 | 176.3 | 187 | 111.11 |
| Oct. | 0.5 | 2.7 | 3.3 | 4.1 | 154.5 | 179.9 | 190 | 112.74 |
| 1991 Jan. | 0.9 | 2.5 | 2.8 | 4.0 | 153.7 | 179.3 | 190 | 112.50 |
| April ... | 1.2 | 2.6 | 2.8 | 4.9 | 154.0 | 180.5 | 195 | 115.87 |
| July | 2.0 | 2.9 | 3.2 | 4.3 | 154.7 | 181.5 | 195 | 115.88 |
| Oct. | 0.9 | 1.8 | 2.0 | 3.6 | 155.9 | 183.2 | 197 | 116.77 |
| 1992 Jan. | - 0.8 | 2.1 | 2.2 | 3.6 | 152.4 | 183.1 | 197 | 116.54 |
| April ... | 0.0 | 2.5 | 2.6 | 2.9 | 154.0 | 185.0 | 201 | 119.28 |
| July | - 1.2 | 2.2 | 1.9 | ... | 152.8 | 185.5 | ... | ... |
| Oct. | - 2.2 | 1.6 | 1.7 | ... | 152.4 | 186.2 | ... | ... |
| Nov. | - 2.1 | 1.4 | 1.5 | ... | 152.2 | 186.6 | ... | ... |
| Dec. | - 1.7 | 1.5 | 1.6 | ... | 151.8 | 186.2 | ... | ... |

Note: The annual figures of the indices are averages of monthly indices.

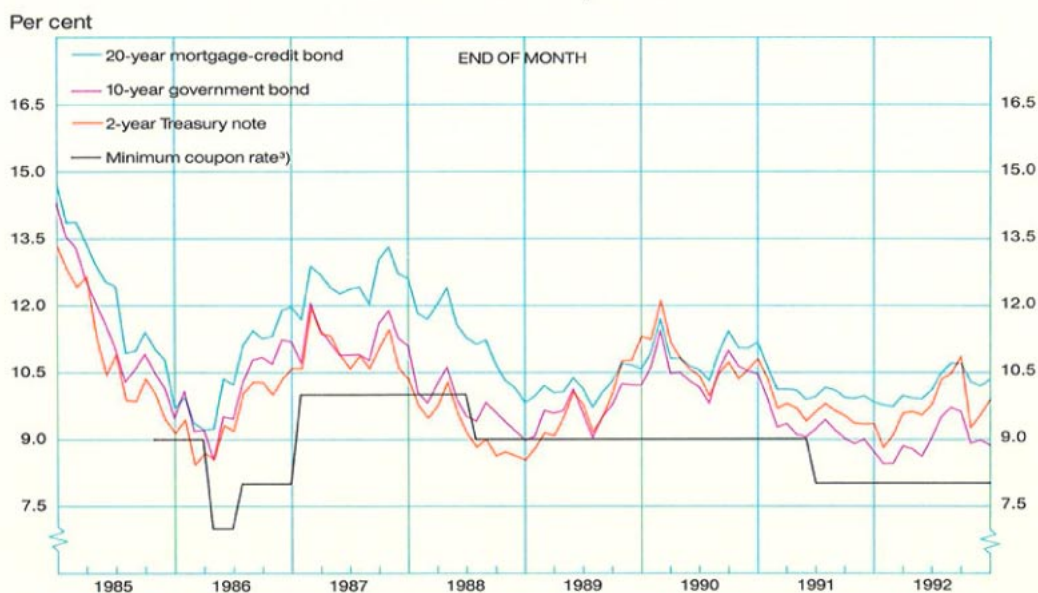
1) Excluding all indirect taxes except customs and other import duties. The weights are based on the value of domestic sales in wholesale trade in 1980.

2) The consumer price index concerns actual retail prices paid by the

consumers, while the net price index is compiled excluding indirect taxes and subsidies. Since February 1991 the weights in both indices have been based on the pattern of private consumption in 1987.

3) Average hourly earnings of workers in manufacturing industries, building and construction.

*Yields on selected bonds quoted on the Stock Exchange,
and minimum coupon rate*



| End of period ¹⁾ | Government paper (bullet issues) ²⁾ | | | Mortgage-credit bonds (annuity loans) ²⁾ | | | Average bond yield | Minimum coupon rate ³⁾ |
|-----------------------------|--|-------|-------|---|-------|-------|--------------------|-----------------------------------|
| | Maturity, years | | | | | | | |
| | 10 | 5 | 2 | 30 | 20 | 10 | | |
| Per cent per annum | | | | | | | | |
| 1983..... | 12.80 | 12.54 | 12.16 | 12.83 | 12.61 | 12.65 | 12.64 | • |
| 1984..... | 14.33 | 13.95 | 13.30 | 14.75 | 14.77 | 14.18 | 14.02 | • |
| 1985..... | 9.53 | 9.32 | 9.13 | 10.31 | 10.32 | 9.65 | 9.86 | 9 |
| 1986..... | 11.24 | 10.90 | 10.59 | 12.48 | 11.96 | 11.60 | 11.61 | 8 |
| 1987..... | 11.15 | 10.58 | 10.34 | 12.79 | 12.61 | 11.67 | 11.73 | 10 |
| 1988..... | 9.03 | 8.98 | 8.53 | 9.92 | 9.82 | 9.32 | 9.78 | 9 |
| 1989..... | 10.26 | 10.56 | 11.30 | 10.49 | 10.57 | 10.38 | 10.79 | 9 |
| 1990..... | 10.50 | 10.71 | 10.79 | 11.15 | 11.17 | 10.62 | 11.01 | 9 |
| 1991..... | 8.76 | 9.14 | 9.34 | 9.80 | 9.83 | 9.63 | 9.90 | 8 |
| 1992..... | 8.91 | 9.67 | 9.87 | 10.17 | 10.34 | 10.55 | 10.25 | 8 |
| 1991 Oct. | 8.94 | 9.27 | 9.35 | 9.86 | 9.91 | 9.54 | 9.90 | 8 |
| Nov. | 9.04 | 9.45 | 9.33 | 9.92 | 9.97 | 9.74 | 9.95 | 8 |
| Dec. | 8.76 | 9.14 | 9.34 | 9.80 | 9.83 | 9.63 | 9.90 | 8 |
| 1992 Jan. | 8.49 | 8.82 | 8.81 | 9.72 | 9.76 | 9.39 | 9.76 | 8 |
| Feb. | 8.50 | 8.91 | 9.09 | 9.66 | 9.73 | 9.80 | 9.76 | 8 |
| March | 8.89 | 9.39 | 9.58 | 9.91 | 9.98 | 9.81 | 9.98 | 8 |
| April | 8.82 | 9.28 | 9.61 | 9.89 | 9.92 | 9.64 | 9.94 | 8 |
| May | 8.65 | 9.16 | 9.54 | 9.83 | 9.90 | 9.56 | 9.88 | 8 |
| June | 9.07 | 9.62 | 9.77 | 10.06 | 10.10 | 9.77 | 10.08 | 8 |
| July | 9.55 | 10.18 | 10.34 | 10.42 | 10.49 | 9.83 | 10.34 | 8 |
| Aug. | 9.75 | 10.41 | 10.47 | 10.61 | 10.70 | 10.91 | 10.57 | 8 |
| Sept. | 9.66 | 10.39 | 10.84 | 10.60 | 10.70 | 10.02 | 10.66 | 8 |
| Oct. | 8.95 | 9.22 | 9.25 | 10.21 | 10.29 | 10.68 | 10.09 | 8 |
| Nov. | 9.02 | 9.44 | 9.53 | 10.20 | 10.19 | 10.23 | 10.11 | 8 |
| Dec. | 8.91 | 9.67 | 9.87 | 10.17 | 10.34 | 10.55 | 10.25 | 8 |

¹⁾ The effective bond yield calculated for a full year by the Copenhagen Stock Exchange.

²⁾ If no open series with the relevant maturities exist for a given

period, series (closed if necessary) with generally corresponding remaining maturities are used.

³⁾ In accordance with the Danish Capital-Gains Act.

Interest rates in a number of countries

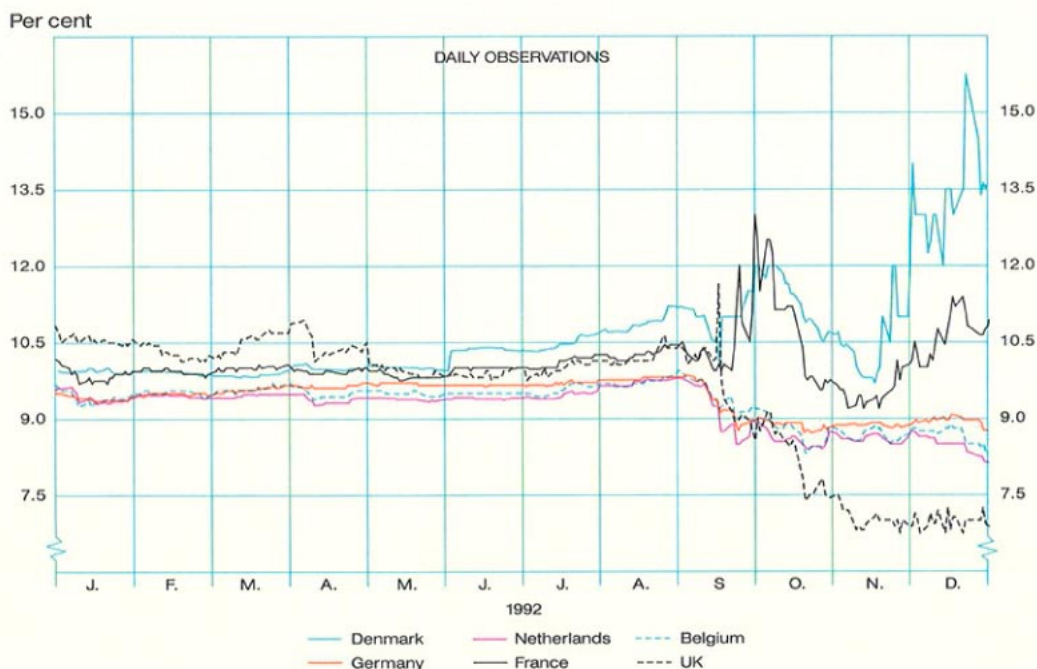
| End of period | 3-month Euro-deposit interest rate | | | | | |
|--------------------|------------------------------------|------|-------|--------|---------|-----|
| | Denmark ¹⁾ | UK | Japan | Sweden | Germany | USA |
| | Per cent per annum | | | | | |
| 1991 January | 10.3 | 13.8 | 8.2 | 12.8 | 9.1 | 6.9 |
| February | 10.2 | 12.6 | 8.1 | 11.8 | 8.9 | 6.8 |
| March | 9.8 | 12.3 | 7.7 | 12.0 | 9.1 | 6.3 |
| April | 9.9 | 11.7 | 7.9 | 12.1 | 9.0 | 6.1 |
| May | 9.3 | 11.3 | 7.6 | 10.9 | 8.9 | 5.9 |
| June | 9.4 | 11.3 | 7.8 | 10.6 | 8.9 | 6.1 |
| July | 9.5 | 11.1 | 7.3 | 10.5 | 9.2 | 5.9 |
| August | 9.8 | 10.8 | 7.2 | 10.4 | 9.1 | 5.6 |
| September | 9.7 | 10.2 | 6.5 | 10.3 | 9.2 | 5.6 |
| October | 9.3 | 10.3 | 6.1 | 10.4 | 9.3 | 5.1 |
| November | 9.6 | 10.6 | 6.0 | 11.5 | 9.3 | 4.9 |
| December | 9.9 | 10.9 | 5.3 | 13.1 | 9.5 | 4.1 |
| 1992 January | 10.1 | 10.5 | 5.1 | 12.1 | 9.5 | 4.1 |
| February | 10.1 | 10.2 | 5.1 | 11.8 | 9.5 | 4.1 |
| March | 10.2 | 10.8 | 4.7 | 11.4 | 9.7 | 4.2 |
| April | 10.3 | 10.5 | 4.6 | 11.7 | 9.8 | 3.9 |
| May | 10.1 | 10.0 | 4.6 | 11.1 | 9.7 | 3.9 |
| June | 10.6 | 10.0 | 4.4 | 11.2 | 9.7 | 3.9 |
| July | 10.9 | 10.3 | 3.9 | 12.1 | 9.8 | 3.3 |
| August | 11.5 | 10.5 | 3.8 | 13.8 | 9.8 | 3.4 |
| September | 12.8 | 8.9 | 3.9 | 17.0 | 9.0 | 3.1 |
| October | 11.8 | 7.6 | 3.6 | 12.2 | 8.9 | 3.5 |
| November | 15.0 | 7.3 | 3.7 | 11.4 | 8.8 | 3.9 |
| December | 15.1 | 6.9 | 3.8 | 9.4 | 8.6 | 3.3 |

| End of period | Effective rates of interest on 10-year government bonds ²⁾ | | | | | |
|--------------------|---|------|-------|--------|---------|-----|
| | Denmark | UK | Japan | Sweden | Germany | USA |
| | Per cent per annum | | | | | |
| 1991 January | 10.0 | 10.4 | 6.6 | 11.5 | 8.6 | 8.2 |
| February | 9.3 | 10.3 | 6.6 | 11.3 | 8.3 | 8.2 |
| March | 9.4 | 10.2 | 6.7 | 11.6 | 8.5 | 8.2 |
| April | 9.2 | 10.4 | 6.8 | 11.4 | 8.3 | 8.2 |
| May | 9.1 | 10.6 | 6.7 | 10.5 | 8.3 | 8.2 |
| June | 9.3 | 10.7 | 6.9 | 10.8 | 8.5 | 8.4 |
| July | 9.5 | 10.4 | 6.7 | 10.9 | 8.7 | 8.3 |
| August | 9.2 | 10.2 | 6.4 | 10.6 | 8.5 | 8.0 |
| September | 9.1 | 9.8 | 6.2 | 10.0 | 8.4 | 7.6 |
| October | 8.9 | 9.9 | 6.1 | 10.0 | 8.4 | 7.6 |
| November | 9.0 | 10.1 | 6.1 | 10.0 | 8.3 | 7.5 |
| December | 8.8 | 10.0 | 5.7 | 9.9 | 8.0 | 6.8 |
| 1992 January | 8.5 | 9.6 | 5.7 | 9.4 | 7.9 | 7.4 |
| February | 8.5 | 9.5 | 5.7 | 9.4 | 7.9 | 7.4 |
| March | 8.9 | 10.1 | 5.6 | 9.5 | 8.0 | 7.7 |
| April | 8.8 | 9.4 | 5.9 | 9.6 | 8.0 | 7.7 |
| May | 8.7 | 9.2 | 5.7 | 9.5 | 7.9 | 7.5 |
| June | 9.1 | 9.4 | 5.6 | 9.7 | 8.0 | 7.3 |
| July | 9.6 | 9.5 | 5.3 | 10.1 | 8.2 | 6.8 |
| August | 9.8 | 9.9 | 5.1 | 11.1 | 7.9 | 6.7 |
| September | 9.7 | 9.2 | 5.1 | 11.3 | 7.5 | 6.5 |
| October | 9.0 | 8.3 | 5.0 | 10.6 | 7.3 | 6.9 |
| November | 9.0 | 8.8 | 5.0 | 10.0 | 7.4 | 7.1 |
| December | 8.9 | 8.4 | 4.9 | 9.9 | 7.2 | 6.8 |

1) 3-month inter-bank interest rate.

2) Bullet issue loans.

3-month inter-bank interest rates



Note: For Denmark, repurchase agreements in Treasury bills.

Inter-bank interest rates

| | Overnight | | | 1 month | | | 3 months | | |
|----------------|--------------------|-------|-------|---------|-------|-------|----------|-------|-------|
| | Average | High | Low | Average | High | Low | Average | High | Low |
| | Per cent per annum | | | | | | | | |
| 1991 Jan. | 9.94 | 10.56 | 9.56 | 10.37 | 10.63 | 10.06 | 10.53 | 10.88 | 10.31 |
| Feb. | 10.12 | 10.69 | 9.56 | 10.23 | 10.38 | 10.13 | 10.25 | 10.38 | 10.06 |
| March .. | 9.92 | 10.50 | 9.63 | 10.11 | 10.38 | 9.81 | 10.04 | 10.25 | 9.81 |
| April ... | 9.85 | 10.06 | 9.63 | 9.94 | 10.19 | 9.75 | 9.91 | 10.09 | 9.81 |
| May | 9.61 | 10.06 | 9.13 | 9.68 | 9.94 | 9.31 | 9.68 | 9.88 | 9.31 |
| June | 9.13 | 9.25 | 9.06 | 9.34 | 9.40 | 9.25 | 9.41 | 9.45 | 9.31 |
| July | 9.14 | 9.38 | 9.06 | 9.29 | 9.44 | 9.19 | 9.41 | 9.53 | 9.31 |
| Aug. | 9.35 | 9.69 | 9.00 | 9.50 | 9.81 | 9.19 | 9.62 | 9.81 | 9.41 |
| Sept. ... | 9.60 | 9.63 | 9.56 | 9.70 | 9.88 | 9.63 | 9.74 | 9.85 | 9.63 |
| Oct. | 9.43 | 9.63 | 9.06 | 9.49 | 9.69 | 9.19 | 9.58 | 9.78 | 9.31 |
| Nov. | 9.07 | 9.13 | 9.00 | 9.26 | 9.49 | 9.13 | 9.41 | 9.69 | 9.28 |
| Dec. | 9.29 | 9.81 | 9.00 | 9.72 | 10.06 | 9.50 | 9.79 | 10.13 | 9.63 |
| 1992 Jan. | 9.78 | 10.75 | 9.63 | 10.07 | 10.23 | 9.88 | 10.07 | 10.20 | 9.94 |
| Feb. | 9.80 | 10.13 | 9.56 | 10.06 | 10.16 | 9.89 | 10.09 | 10.20 | 9.95 |
| March ... | 9.77 | 10.00 | 9.63 | 10.07 | 10.15 | 9.86 | 10.09 | 10.30 | 9.95 |
| April ... | 9.86 | 10.19 | 9.56 | 10.23 | 10.40 | 10.08 | 10.22 | 10.35 | 10.08 |
| May | 9.95 | 10.38 | 9.69 | 10.15 | 10.30 | 10.00 | 10.14 | 10.23 | 10.06 |
| June | 10.59 | 11.44 | 9.38 | 10.88 | 11.20 | 10.08 | 10.59 | 11.00 | 10.10 |
| July | 10.56 | 11.31 | 9.63 | 10.96 | 11.25 | 10.75 | 10.84 | 11.12 | 10.63 |
| Aug. ... | 10.47 | 12.81 | 9.00 | 11.12 | 11.39 | 10.41 | 11.25 | 11.50 | 10.98 |
| Sept. ... | 11.67 | 20.63 | 9.63 | 14.54 | 27.20 | 10.56 | 12.34 | 19.25 | 10.82 |
| Oct. | 11.46 | 15.13 | 9.25 | 13.22 | 16.25 | 11.50 | 12.67 | 14.19 | 11.50 |
| Nov. ... | 12.15 | 18.25 | 9.69 | 13.65 | 20.00 | 11.02 | 12.76 | 17.00 | 10.75 |
| Dec. | 15.59 | 33.00 | 10.56 | 20.89 | 29.25 | 15.72 | 16.73 | 21.50 | 14.50 |

Note: Daily average turnover. For banking days with no turnover the simple average of closing purchase and sale prices.

Copenhagen Inter-Bank Offered Rates (CIBOR)

| | 1 month | | | 2 months | | | 3 months | | | |
|------|--------------------|-------|-------|----------|-------|-------|----------|-------|-------|-------|
| | Average | High | Low | Average | High | Low | Average | High | Low | |
| | Per cent per annum | | | | | | | | | |
| 1991 | Jan. | 10.46 | 10.78 | 10.17 | 10.57 | 10.89 | 10.28 | 10.60 | 10.89 | 10.38 |
| | Feb. | 10.29 | 10.41 | 10.16 | 10.32 | 10.44 | 10.17 | 10.34 | 10.50 | 10.19 |
| | March .. | 10.21 | 10.41 | 9.88 | 10.15 | 10.31 | 9.88 | 10.14 | 10.25 | 9.94 |
| | April ... | 10.02 | 10.28 | 9.88 | 10.00 | 10.23 | 9.92 | 10.00 | 10.19 | 9.92 |
| | May | 9.76 | 9.98 | 9.44 | 9.77 | 9.97 | 9.44 | 9.77 | 9.98 | 9.45 |
| | June | 9.43 | 9.48 | 9.39 | 9.49 | 9.50 | 9.45 | 9.50 | 9.53 | 9.50 |
| | July | 9.36 | 9.44 | 9.27 | 9.43 | 9.55 | 9.33 | 9.48 | 9.59 | 9.33 |
| | Aug. ... | 9.58 | 9.84 | 9.31 | 9.64 | 9.86 | 9.41 | 9.70 | 9.88 | 9.50 |
| | Sept. ... | 9.77 | 9.81 | 9.73 | 9.79 | 9.84 | 9.75 | 9.83 | 9.88 | 9.80 |
| | Oct. | 9.56 | 9.80 | 9.25 | 9.62 | 9.81 | 9.30 | 9.68 | 9.88 | 9.42 |
| | Nov. | 9.33 | 9.55 | 9.25 | 9.45 | 9.69 | 9.38 | 9.49 | 9.69 | 9.39 |
| | Dec. | 9.79 | 10.13 | 9.55 | 9.85 | 10.16 | 9.67 | 9.89 | 10.23 | 9.72 |
| 1992 | Jan. | 10.17 | 10.34 | 10.00 | 10.17 | 10.28 | 10.03 | 10.17 | 10.25 | 10.06 |
| | Feb. | 10.17 | 10.25 | 10.08 | 10.21 | 10.25 | 10.16 | 10.21 | 10.25 | 10.16 |
| | March .. | 10.16 | 10.23 | 10.09 | 10.17 | 10.25 | 10.11 | 10.18 | 10.25 | 10.11 |
| | April ... | 10.16 | 10.22 | 10.13 | 10.20 | 10.23 | 10.17 | 10.20 | 10.25 | 10.17 |
| | May | 10.18 | 10.20 | 10.17 | 10.21 | 10.23 | 10.19 | 10.24 | 10.25 | 10.22 |
| | June | 10.66 | 10.78 | 10.11 | 10.59 | 10.72 | 10.13 | 10.54 | 10.63 | 10.14 |
| | July | 10.68 | 10.88 | 10.53 | 10.67 | 10.88 | 10.52 | 10.65 | 10.88 | 10.48 |
| | Aug. ... | 11.17 | 11.38 | 10.94 | 11.19 | 11.52 | 10.94 | 11.19 | 11.58 | 10.94 |
| | Sept. ... | 16.83 | 35.00 | 10.83 | 14.08 | 21.25 | 10.83 | 12.76 | 16.25 | 10.83 |
| | Oct. | 13.95 | 17.63 | 12.25 | 13.34 | 16.06 | 12.06 | 13.01 | 14.31 | 11.91 |
| | Nov. | 15.76 | 27.75 | 11.45 | 13.96 | 20.00 | 11.25 | 12.95 | 16.88 | 11.16 |
| | Dec. | 23.53 | 34.00 | 19.00 | 20.05 | 28.00 | 17.06 | 18.15 | 23.50 | 15.50 |
| | 4 months | | | 5 months | | | 6 months | | | |
| | Average | High | Low | Average | High | Low | Average | High | Low | |
| | Per cent per annum | | | | | | | | | |
| 1991 | Jan. | 10.66 | 10.94 | 10.44 | 10.71 | 10.94 | 10.50 | 10.74 | 10.95 | 10.55 |
| | Feb. | 10.34 | 10.55 | 10.19 | 10.33 | 10.56 | 10.17 | 10.32 | 10.58 | 10.13 |
| | March .. | 10.12 | 10.25 | 9.94 | 10.11 | 10.25 | 9.94 | 10.10 | 10.19 | 9.94 |
| | April ... | 9.99 | 10.11 | 9.94 | 10.00 | 10.09 | 9.94 | 9.99 | 10.06 | 9.95 |
| | May | 9.78 | 10.00 | 9.48 | 9.78 | 10.00 | 9.50 | 9.78 | 10.00 | 9.50 |
| | June | 9.51 | 9.56 | 9.50 | 9.53 | 9.56 | 9.50 | 9.54 | 9.63 | 9.50 |
| | July | 9.54 | 9.69 | 9.39 | 9.59 | 9.80 | 9.45 | 9.64 | 9.84 | 9.52 |
| | Aug. ... | 9.75 | 9.92 | 9.58 | 9.83 | 9.98 | 9.69 | 9.88 | 9.98 | 9.75 |
| | Sept. ... | 9.87 | 9.91 | 9.83 | 9.90 | 9.94 | 9.86 | 9.92 | 9.95 | 9.88 |
| | Oct. | 9.70 | 9.88 | 9.42 | 9.73 | 9.91 | 9.50 | 9.76 | 9.94 | 9.50 |
| | Nov. ... | 9.55 | 9.75 | 9.44 | 9.57 | 9.80 | 9.50 | 9.62 | 9.84 | 9.55 |
| | Dec. | 9.91 | 10.25 | 9.75 | 9.93 | 10.27 | 9.81 | 9.95 | 10.27 | 9.83 |
| 1992 | Jan. | 10.15 | 10.19 | 10.11 | 10.14 | 10.19 | 10.06 | 10.13 | 10.20 | 10.06 |
| | Feb. | 10.21 | 10.25 | 10.16 | 10.20 | 10.25 | 10.16 | 10.19 | 10.23 | 10.16 |
| | March .. | 10.18 | 10.25 | 10.11 | 10.18 | 10.25 | 10.11 | 10.18 | 10.25 | 10.11 |
| | April ... | 10.21 | 10.25 | 10.19 | 10.21 | 10.25 | 10.19 | 10.21 | 10.25 | 10.19 |
| | May | 10.24 | 10.25 | 10.23 | 10.25 | 10.25 | 10.23 | 10.25 | 10.25 | 10.23 |
| | June | 10.54 | 10.61 | 10.14 | 10.53 | 10.61 | 10.14 | 10.51 | 10.61 | 10.14 |
| | July | 10.62 | 10.86 | 10.45 | 10.62 | 10.86 | 10.45 | 10.62 | 10.86 | 10.45 |
| | Aug. ... | 11.14 | 11.55 | 10.92 | 11.13 | 11.52 | 10.92 | 11.13 | 11.50 | 10.91 |
| | Sept. ... | 12.34 | 14.88 | 10.84 | 12.01 | 13.75 | 10.84 | 11.81 | 13.50 | 10.83 |
| | Oct. | 12.69 | 13.81 | 11.56 | 12.49 | 13.25 | 11.38 | 12.26 | 13.00 | 11.28 |
| | Nov. ... | 12.41 | 15.25 | 11.00 | 11.96 | 14.25 | 10.84 | 11.65 | 13.63 | 10.75 |
| | Dec. | 16.43 | 20.00 | 14.75 | 15.32 | 17.50 | 14.13 | 14.45 | 15.94 | 13.50 |

Note: Average of reports from 8 large banks. The 2 highest and lowest rates are not included.

| The Nationalbank's interest rates | | | | | The banks' effective interest rates ⁵⁾ | | |
|-----------------------------------|------------------------|------------------------|------------------------|---|---|--------------------|------------|
| Effective year-end/ from | Official discount rate | Current account | | Repurchase agreements and certificates of deposit ³⁾⁴⁾ | Average | Lending | Deposits |
| | | Deposits ¹⁾ | Drawings ²⁾ | | | Per cent per annum | |
| Per cent per annum | | | | | Per cent per annum | | |
| 1987 | 7.00 | 8.25 | 9.00 | • | 1987 | 13.4 | 7.5 |
| 1988 | 7.00 | 7.75 | 8.50 | • | 1988 | 13.2 | 7.0 |
| 1989 | 7.00 | 11.00 | 12.00 | • | 1989 | 13.3 | 7.0 |
| 1990 | 8.50 | 9.50 | 10.50 | • | 1990 | <u>14.1</u> | <u>7.9</u> |
| 1991 | 9.50 | 9.50 | 10.00 | • | 1991 | 11.4 | 7.2 |
| 1992 | 9.50 | 9.50 | • | 13.00 | 1987 1st qtr. .. | 13.1 | 7.4 |
| 1990 March 23 .. | 8.00 | 10.50 | 11.50 | • | 2nd " .. | 13.6 | 7.5 |
| April 27 .. | 8.00 | 10.00 | 11.00 | • | 3rd " .. | 13.5 | 7.4 |
| June 22 .. | 8.50 | 9.50 | 10.50 | • | 4th " .. | 13.5 | 7.5 |
| 1991 Jan. 2 .. | 9.50 | 9.50 | 10.50 | • | 1988 1st qtr. .. | 13.3 | 7.2 |
| March 20 .. | 9.50 | 9.50 | 10.00 | • | 2nd " .. | 13.4 | 7.2 |
| May 22 .. | 9.00 | 9.00 | 9.50 | • | 3rd " .. | 13.2 | 6.9 |
| Aug. 16 .. | 9.50 | 9.50 | 10.00 | • | 4th " .. | 13.0 | 6.8 |
| Oct. 21 .. | 9.00 | 9.00 | 9.50 | • | 1989 1st qtr. .. | 12.4 | 6.4 |
| Dec. 20 .. | 9.50 | 9.50 | 10.00 | • | 2nd " .. | 12.9 | 6.5 |
| 1992 April 1 .. | 9.50 | 9.50 | • | 9.90 | 3rd " .. | 13.3 | 6.8 |
| " 21 .. | | | | 9.85 | 4th " .. | 14.6 | 8.1 |
| June 3 .. | | | | 10.50 | 1990 1st qtr. .. | 14.9 | 8.5 |
| " 24 .. | | | | 10.40 | 2nd " .. | 14.2 | 8.0 |
| " 30 .. | | | | 10.30 | 3rd " .. | 13.9 | 7.7 |
| Sept. 15 .. | | | | 10.15 | 4th " .. | <u>13.4</u> | <u>7.5</u> |
| Oct. 1 .. | | | | 12.00 | 1991 1st qtr. .. | 11.7 | 7.7 |
| " 8 .. | | | | 11.80 | 2nd " .. | 11.5 | 7.2 |
| " 13 .. | | | | 11.60 | 3rd " .. | 11.2 | 6.8 |
| " 20 .. | | | | 11.40 | 4th " .. | 11.1 | 6.9 |
| " 26 .. | | | | 10.90 | 1992 1st qtr. .. | 11.2 | 7.2 |
| Nov. 2 .. | | | | 10.60 | 2nd " .. | 11.3 | 7.2 |
| " 10 .. | | | | 10.20 | | | |
| " 17 .. | | | | 9.90 | | | |
| " 20 .. | | | | 15.00 | | | |
| Dec. 14 .. | | | | 14.00 | | | |
| " 28 .. | | | | 13.00 | | | |
| 1993 Jan. 19 .. | | | | 12.00 | | | |
| " 26 .. | | | | 11.50 | | | |
| Feb. 3 .. | | | | 13.00 | | | |
| " 4 .. | 11.50 | 11.50 | | 13.00 | | | |

1) As from April 1, 1992 interest-earning deposits are subject to maximum limits.

2) Access to drawings on current account lapsed on April 1, 1992.

3) 14-day zero-coupon certificates of deposit issued by and registered with the Nationalbank.

4) The Nationalbank's interest rate for repurchase agreements and on sale and purchase of the Nationalbank's certificates of

deposit. On purchase the Nationalbank normally adds a small premium. The rates stated exclude this premium.

5) Compiled as the ratio between accrued interest expenditure and income in the quarter and the average volume of deposits and lending in the quarter. In 1991 based only on krone accounts with Danish customers. Lending adjusted for provisions as from 1991.