

An aerial photograph of Copenhagen, Denmark, taken during the 'golden hour' of sunset. The sky is a deep, layered orange with some darker clouds. The city below is densely packed with buildings, mostly multi-story structures with light-colored facades and dark roofs. Several prominent church spires and towers are visible against the horizon. In the foreground, a large, open square or street is visible, with some people and vehicles. The overall tone is warm and atmospheric.

CONSIDER COPENHAGEN

COPENHAGEN FINANCIAL HUB

GREATER
COPENHAGEN



Copenhagen's key attributes as a financial hub

1

Copenhagen has a vibrant asset management industry with an attractive talent pool

- Strong in asset management with a wealth of skilled professionals
- Home to major players such as ATP, PFA and Nordea Asset Management
- The world's largest pension sector relative to GDP

2

Denmark is a digital pioneer in Europe and a FinTech forerunner

- Leading digital infrastructure and highly tech-savvy population
- Enviably track record in financial sector innovation
- Booming FinTech community boasting exciting start-ups

3

Copenhagen is a brilliant place to do business, with favourable regulatory conditions

- Flexible labour market
- Stable economic and political climate
- No. 1 in Europe for ease of doing business

4

Copenhagen offers a high quality of life, making it easy to attract and retain staff

- Copenhagen is a safe and beautiful city with good infrastructure
- Denmark offers a special tax rate of 32% for foreign high-earners
- Full of professionals highly proficient in English and a thriving expat community

“We welcome financial institutions to Denmark because we know they contribute to growth and innovation. We’re already strong in asset management and FinTech, and have real potential to move to the next level.”

Brian Mikkelsen
Minister for Industry, Business and Financial Affairs





1

COPENHAGEN HAS A VIBRANT ASSET MANAGEMENT INDUSTRY



Optimal conditions... ... for top talent

Denmark offers clear regulatory frameworks, an effective and transparent legal system, and ready access to relevant authorities.

Copenhagen has a strong asset management tradition with a wealth of top-tier investment professionals and substantial assets under management.

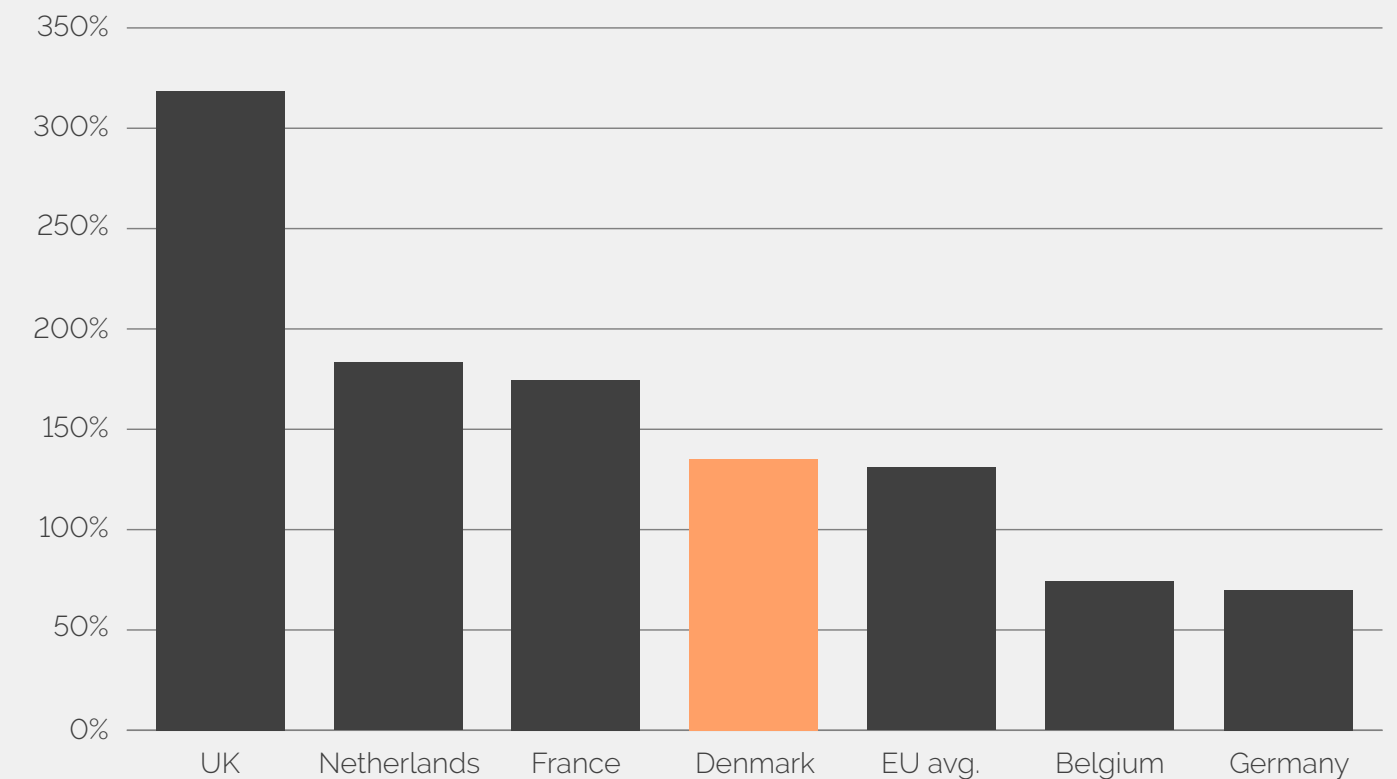
Danish asset managers have been rated amongst the best in Europe over the past 15 years by Morningstar.

A vibrant asset management industry attracting top talent

Denmark has the world's largest pension sector, resulting in a strong asset management tradition in Copenhagen.

- More than 2,000 professional portfolio managers work in the city
 - a much larger share of the labour force than the OECD average.
- Danish asset managers handle sizeable mandates, boast high levels of expertise and deliver some of the best results in Europe.
- Assets under management are relatively high in relation to GDP.

Assets under management as a percentage of GDP



Note: 2014 data for Denmark, otherwise 2013.

Source: Danish Investment Fund Association (IFB), Statistics Denmark and EFAMA (2015): Asset Management in Europe

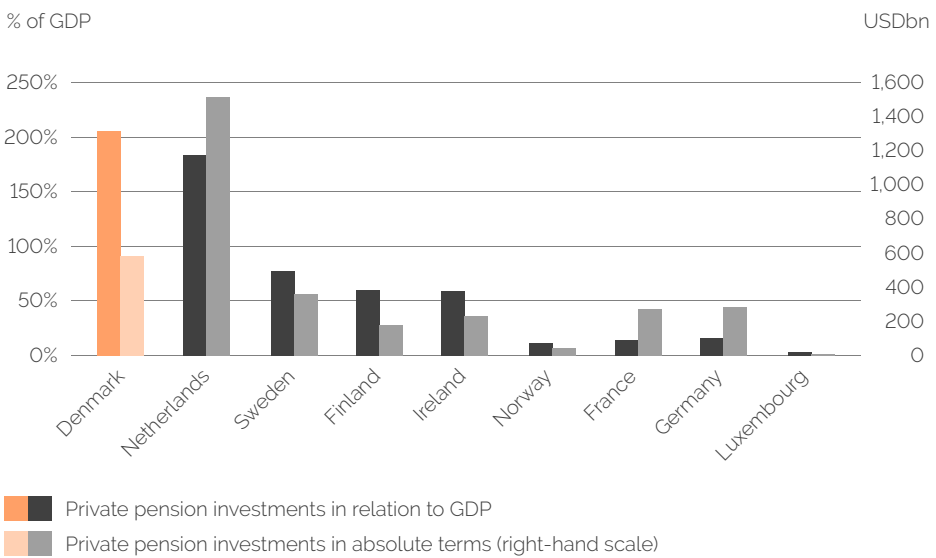
Success story begins with the world's largest pension sector

Copenhagen's strong asset management tradition has its roots in the Danish labour market model, where employees and employers have created a unique pension system. Since its inception in the 1970s, it has amassed assets of over EUR 500bn. Pension assets amount to twice Denmark's GDP, which is more than four times the OECD average.

Denmark is home to no fewer than ten of Europe's top 100 pension funds. The largest is ATP, one of Europe's leading asset managers with more than EUR 100bn under management, followed by PFA and Danica.

Denmark has the world's largest pension sector in relation to GDP

Private pension investments in 2015



Source: OECD (2016)

Ten of Europe's top 100 pension funds are Danish

Largest Danish pension managers' European ranking by AuM

- 4** ATP
- 12** PFA Pension
- 13** Danica Pension
- 34** Sampension
- 41** PKA
- 53** PensionDanmark
- 64** Industriens Pension
- 76** PenSam
- 98** AP Pension
- 99** MP Pension

Source: IPE 2016

“Our most important role is to generate strong returns for pension savers, and we’ve been pretty good at that in the Danish pension sector, thanks partly to a well-developed and professional financial industry here in Denmark.”

Laila Mortensen
CEO, Industriens Pension



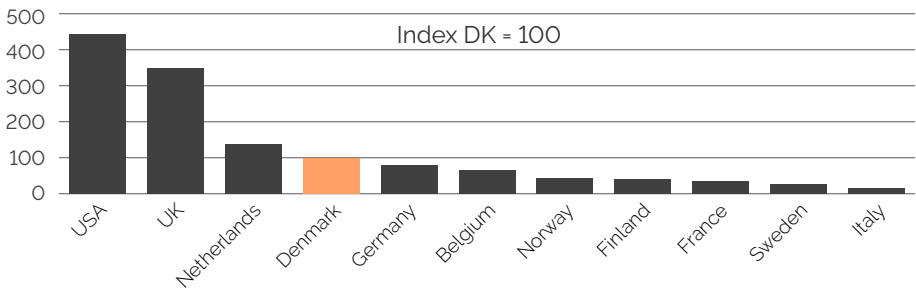
Cutting edge in terms of expertise and results

In Greater Copenhagen, you'll find a strong, internationally competitive community of over 2,000 portfolio managers, including in-house pension managers.

Danish asset managers boast high levels of expertise and deliver some of the best results in Europe. Morningstar has rated Danish managers amongst Europe's top three performers every year since 2002.

Most prominent Danish investment management firms have signed on to comply with the UN Principles for Responsible Investment (PRI).

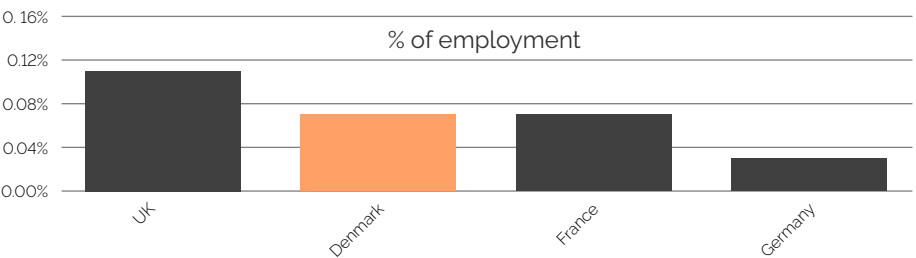
Many CFAs in Denmark



Source: CFA Institute

The number of Chartered Financial Analysts in a country can be used as a measure of the degree of specialisation in asset management. Denmark ranks ahead of most European countries, but behind the UK, US and Netherlands.

Asset management is a major industry in Copenhagen



Source: EFAMA AM 2017



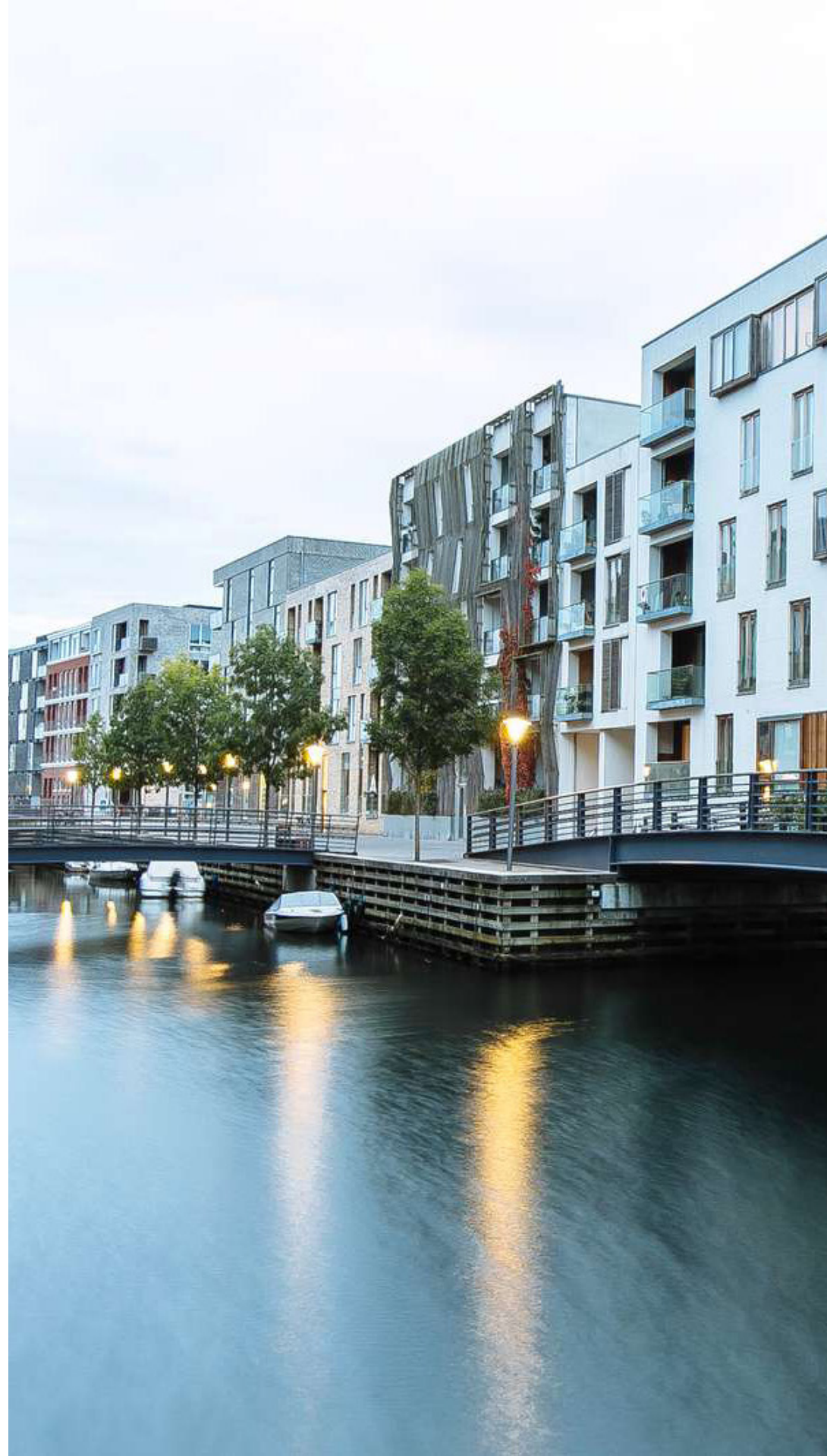
"Over the last five years, ATP's investment portfolio has yielded 15.4% annually, and we strongly believe our active ownership approach combined with our efforts within Socially Responsible Investments is an important driver in achieving such returns. Due to our long-term investment approach, ATP is a reliable and committed investor, and through continuous productive talks with corporate executives, we add to value creation in the companies we engage in."

Christian Hyldahl
CEO, ATP

Success has led to strong fixed-income expertise

The Danish market for covered bonds is one of the world's largest, both in absolute terms and in relation to GDP. In 2015, it made up 15% of the total European covered bond market, its value of EUR 375bn surpassed only by the German market at EUR 400bn.

The Danish covered bond market is also one of the most liquid, with the country's five largest banks holding some DKK 130bn in bonds for market making in 2015.



"The Danish covered bond market is unique. As one of Europe's largest and most liquid bond markets, it offers not only attractive financing for home-owners and businesses, but also a stable investment opportunity with healthy returns and low risk for bond investors worldwide."

Michael Rasmussen

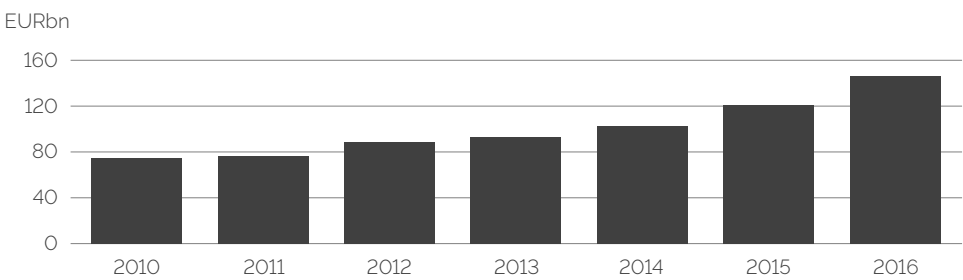
**CEO,
Nykredit**

Copenhagen is a magnet for major asset management players

Copenhagen is home to major European players such as ATP, PFA and Nordea. The strong performance of Danish asset managers has led to a substantial increase in international clients. Asset management for foreign investors has doubled since 2010.



Assets under management for foreign investors



Note: Chart based on a sample of IFB members together representing the majority of asset management in Denmark.

Source: IFB

Assets under management at the end of 2015

	EURbn	AuM/GDP
France	3,787	174%
Germany	2,026	67%
Italy	1,156	70%
Denmark	367	135%
Belgium	279	68%
Austria	104	31%

Source: EFAMA



"Nordea is the leading investment manager in the Nordic region with approximately EUR 215bn in assets under management. Based on our strong Nordic position, and a longstanding presence in other European markets, we've developed a large global business, servicing global clients from sales offices across the world. It's my experience that our Nordic way of doing business resonates with global clients, from São Paulo to Singapore."

Christophe Girondel
Head of Institutional and Wholesale Distribution, Nordea Asset Management

The most business-friendly legal system in Europe

Denmark offers clear regulatory frameworks and ready access to relevant authorities, making it an easy country for financial institutions to operate in.

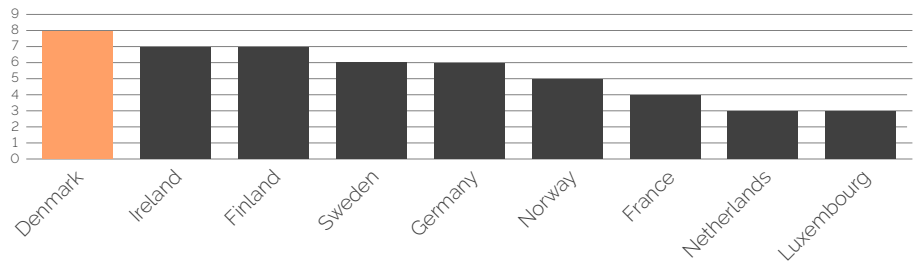
For example, protection of legal rights in relation to financial services is stronger than in most other countries. Denmark has clear legislation, effective courts and a well-functioning legal system. In fact, the World Bank says we have the most business-friendly legal system in Europe.

V
World's most business-friendly legal systems:

- 1. Singapore
- 2. Denmark
- 3. Hong Kong
- 4. United States
- 5. Norway

Source: World Bank

Strong legal protection for financial services



Note: Legal rights index measured on a scale from 1 to 10, where 10 is best.
Source: World Competitiveness Report 2015-2016



"Justified confidence is the guiding principle at the Danish FSA, both as the foundation for well-functioning financial markets and in our relations with the outside world. As is typical of Danish regulators, the team is committed to being available for preliminary, informal talks on planned business models as well as timely handling of administrative requests."

Jesper Berg
Director General, Danish Financial Supervisory Authority

World leader in sustainable investment

Denmark has a long history of environmental investments and is the world leader in wind power.

This makes for an abundance of CleanTech investment opportunities in wind power and beyond – including biomass and district heating. In fact, Denmark is one of the world's heaviest investors in CleanTech, with close to a thousand companies active in the field.



"Copenhagen Infrastructure Partners invests in energy projects, primarily in northern Europe and North America, in the form of wind farms and biomass power plants. We combine our experience from Danish CleanTech companies with long-term capital, and have delivered very competitive returns for our investors, which include Danish pension funds."

Jakob Barüel Poulsen

**Copenhagen
Infrastructure Partners**

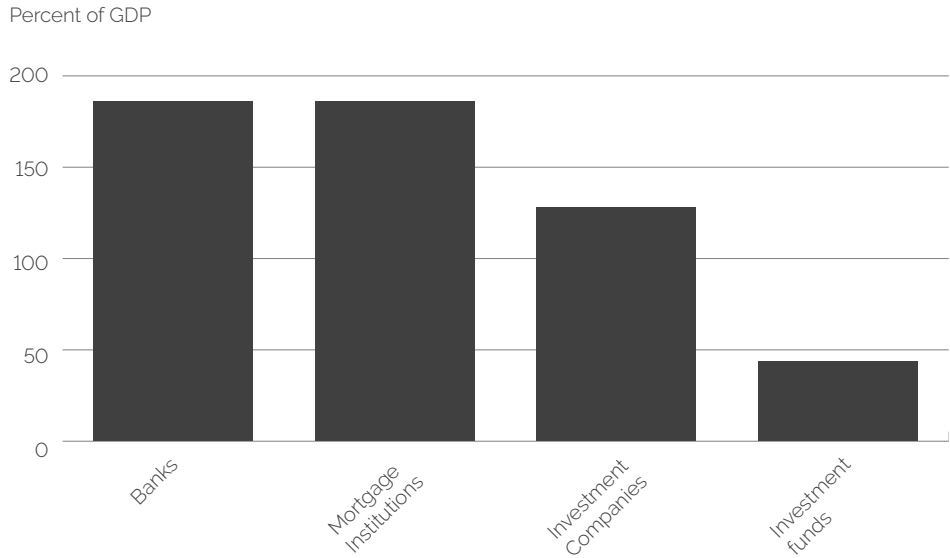
Photo:
Ty Stange / Copenhagen Media Center

The financial sector has a strong voice in the public debate

The various branches of the financial sector in Denmark recently joined forces in the trade association Finance Denmark, giving the sector a clear, powerful voice in the public sphere. The association is known as an analytical powerhouse and knowledge bank in relation to the financial sector and its role in the wider economy, as well as an important provider of widely used statistics on financial matters such as mortgages and the housing market.

Finance Denmark represents a sector that has a rich composition of banks and other financial institutions offering a wide range of financial services and managing a large and varied portfolio of assets

A sector with a rich composition
Assets as a percent of GDP



Source: The Danish FSA, StatBank Denmark and Finance Denmark's calculations.

Note: 2016 data. The figures are unconsolidated and do not therefore take into account intra-sector asset correlations. Investment funds comprise both regular and alternative investment funds. Figures for investment companies are based on 2015 data.



"The creation of Finance Denmark as a single united and strong organisation for banks as well as mortgage institutions and investment funds is also a driver for a powerful, proactive and highly significant sector centred in the Greater Copenhagen area. We're striving to establish Copenhagen as the best place in Northern Europe for doing financial business and look forward to welcoming new members and helping them establish their business here."

Ulrik Nødgaard
CEO, Finance Denmark

"The quality of the local talent pool is outstanding. Young professionals often have international experience from studying and working abroad and compete effectively against other top-tier professionals globally. The local teamwork-oriented working culture helps to differentiate us from our Anglo-Saxon competitors."

Sandro Näf
CEO, Capital Four





2

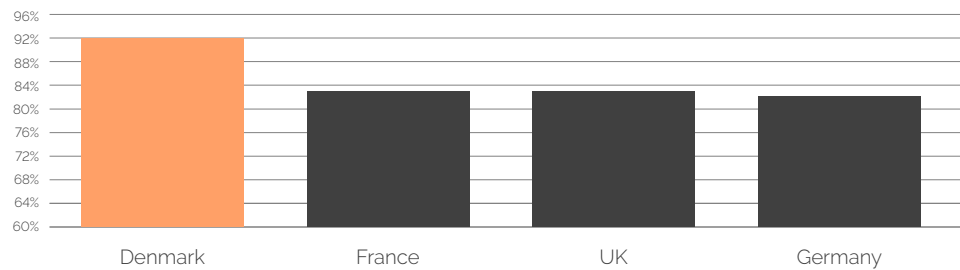
**DENMARK IS A DIGITAL
PIONEER AND A FINTECH
FORERUNNER**

Copenhagen is a hot spot for digital innovation

Given Denmark's reputation as a highly digitised nation, it should come as no surprise that Copenhagen is an inspiring incubator for digital innovation. The average Dane rarely uses cash and spends more time on the Internet than any other nationality.

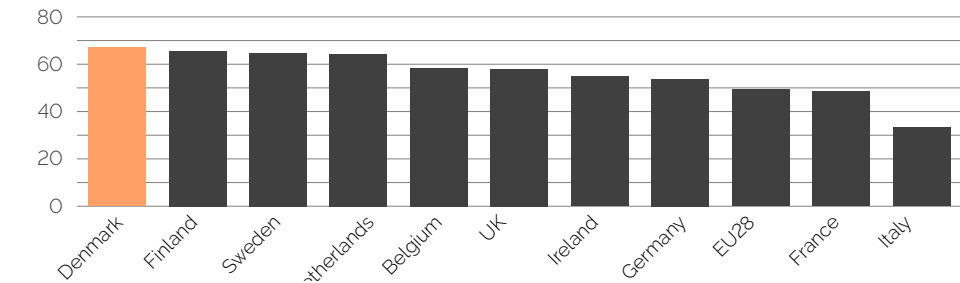
Denmark's strong digital foundations have led to it being crowned Europe's most advanced digital economy by the European Commission. What's more, the World Economic Forum deems Danes some of the world's best users of IT to boost competitiveness and wellbeing.

Percentage of population using the Internet



Source: Google Consumer Barometer

Denmark is the EU's most advanced digital economy



Note: Figures for 2016 based on indicators for connectivity, human capital, use of Internet, integration of digital technology and digital public services.

Source: European Commission Digital Economy and Society Index



A cashless society

In four short years, MobilePay has helped turn Denmark into an almost cashless society. The app enables consumers to pay with their phones both in stores and person-to-person. The developer, Danske Bank, took advantage of Danes' strong IT skills to quickly and easily transform the country's payment habits. After just four years, more than 80% of adult Danes regularly use the app.

A highly digitised and IT-savvy public sector

In many countries, the public sector is lagging behind. But in Denmark, the public sector has served as a spearhead for digitising the entire nation.

All interaction with the authorities has been digitised for both private citizens and businesses. Communication is via digital mailboxes and there's even an online self-service portal to facilitate establishing a company.

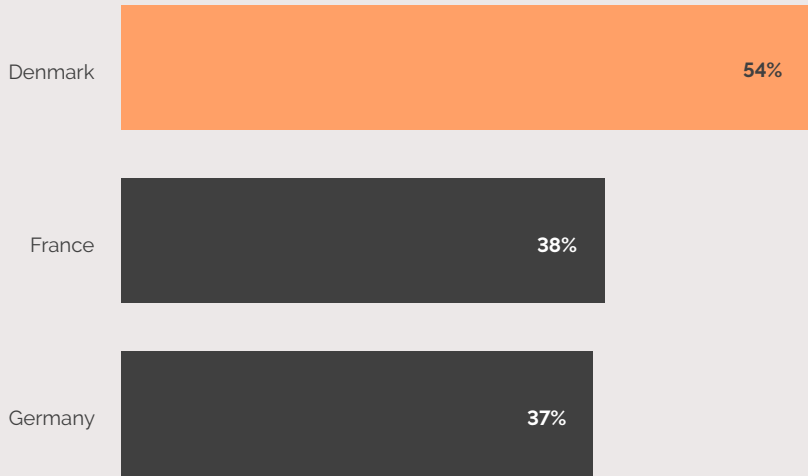
In fact, 100% of all companies and 94% of the population have a digital signature (NemID), which is used to easily access a comprehensive range of public services, online banking and much more.

High technological readiness

The Danes rank second in the EU for IT skills according to IMD, but their technological readiness goes beyond this.

They are not just capable but also very positive about the opportunities that new technology brings, and are more likely than the Germans or the French, among others, to view new technology as an enabler.

New technologies offer more opportunities than risks



Source: Google Consumer Barometer

Pioneering new paradigms in the financial sector



The Copenhagen stock exchange has been a digital pioneer for many years. This was one reason why Nasdaq acquired the exchange and exported its technology to the rest of the world, where it's now used by seven out of ten exchanges globally. Nasdaq hosts one in ten securities transactions world-wide.



Denmark was the first country in the world to introduce paperless registration of listed securities – as far back as 1983. VP Securities is now a leading player in issuance, custody, clearing and investor administration. For example, it was the first to launch electronic AGMs.



The strong focus on asset management in Denmark has also made it a leading source of innovative tools for asset managers. Most managers will be familiar with SimCorp, which has its headquarters in Denmark. The company ascribes its success to the unique flexibility associated with working in a small country.

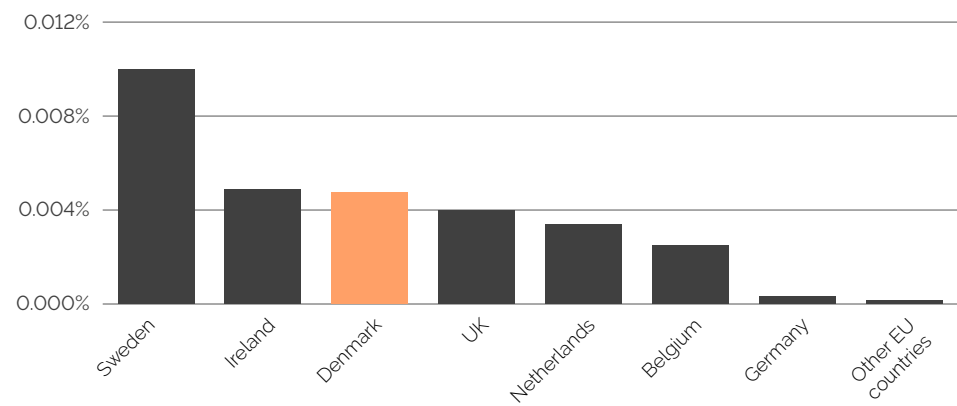


Leading currency trading platform Saxo Trader is the brainchild of innovative Danish investment bank Saxo Bank. By providing access to its trading infrastructure through OpenAPI, the bank enables partners, customers and external developers to access its systems and customise their trading experience.

A booming FinTech community

Copenhagen has a large, proactive and prosperous FinTech scene benefiting from collaboration between the financial sector and the research world. Denmark's innovative financial sector works closely with FinTech start-ups and has made many investments in this area. The research community is also very active, as seen from the choice of Copenhagen as the location for the European Blockchain Center.

FinTech investments in relation to GDP



Note: FinTech is defined differently from country to country, hence the data is relative.

The Danish FinTech start-up scene



Copenhagen FinTech Lab has mapped the Danish FinTech community, which consists of more than 100 exciting start-ups spanning everything from capital raising to wealth management.



3

**COPENHAGEN IS A BRILLIANT
PLACE TO DO BUSINESS,
WITH FAVOURABLE
REGULATORY CONDITIONS**

A flexible and business-friendly labour market

According to IMD, the Danish labour market is the most flexible in Europe, with a highly educated labour force, a high employment rate and high levels of mobility.

- It's easy to hire and fire, thanks to a typical notice period of three months.
- The labour market is underpinned by an economic safety net and extensive active labour market policies.
- The social partners and the state together provide a strong social safety net.

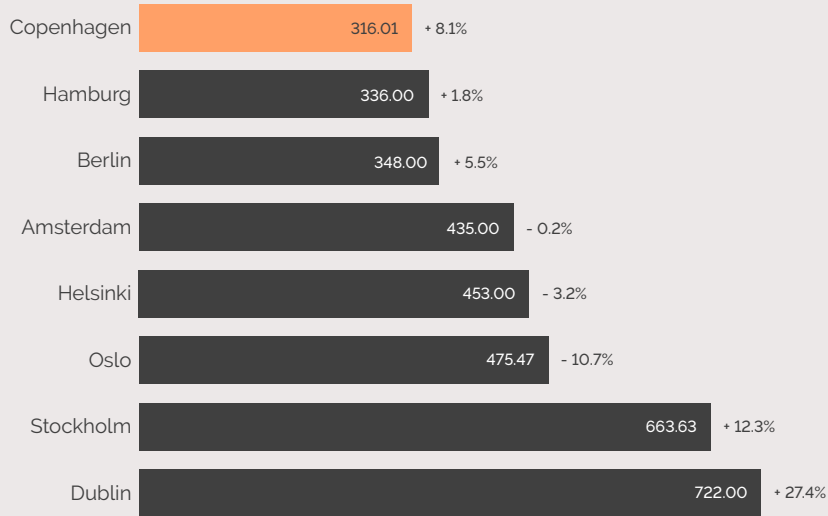


Low commercial rents

Copenhagen has very low commercial rents compared to other major cities in northern Europe.

Commercial rents

EUR per m² 2015 (change from 2014)



Source: fDi Benchmark 2015 values

Photo:
Tuala Hjarnø / Copenhagen Media Center

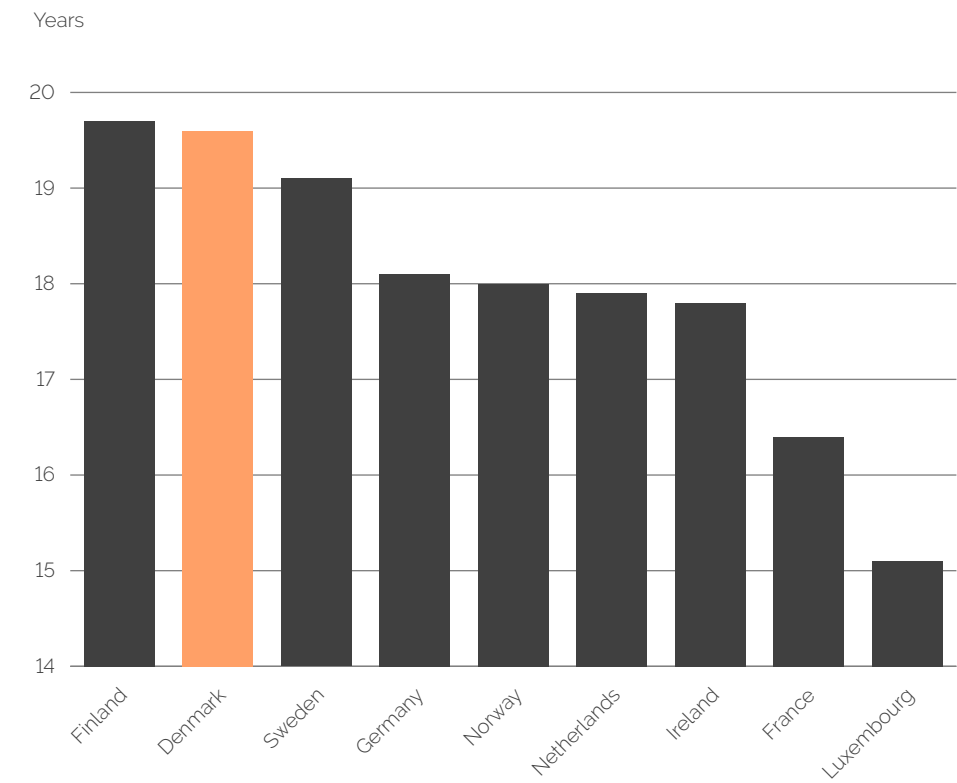
Highly educated, motivated and productive workforce

Danish industry's strong productivity is due partly to a labour force with unique qualities.

One in four young Danes pursues a higher education, resulting in a large talent pool. In fact, the OECD reckons we have one of the highest standards of education in the world.

The Danes are also highly motivated. We even have our own special word – *arbejdsglæde* – to express how much we enjoy our work. Perhaps that's why Danish workers are seen as the most motivated in the world, according to IMD.

Years in education



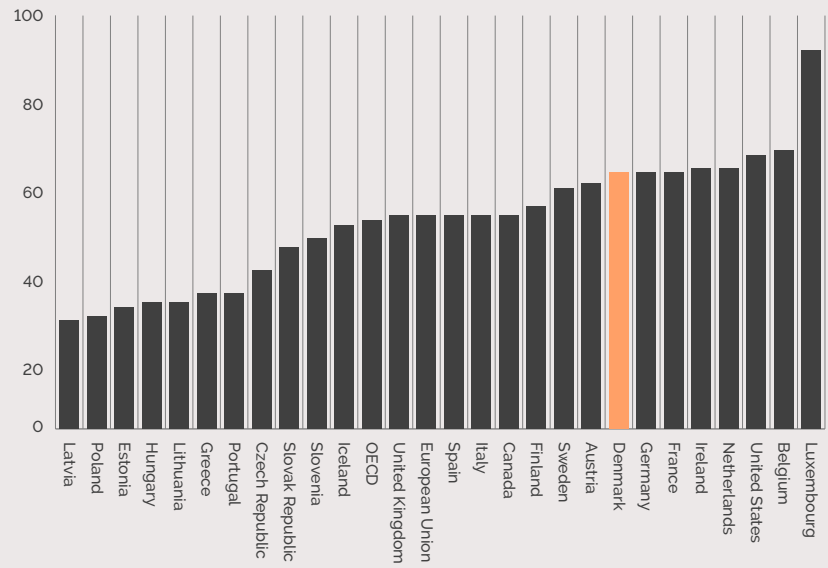
Source: OECD

High productivity

When Danes go to work, they really go to work. GDP per hour worked is among the highest in the world.

Labour productivity 2015

GDP per hour worked, total economy, US dollars, current prices and current PPPs



Source: OECD Compendium of Productivity Indicators 2016

Particularly stable economic and political climate

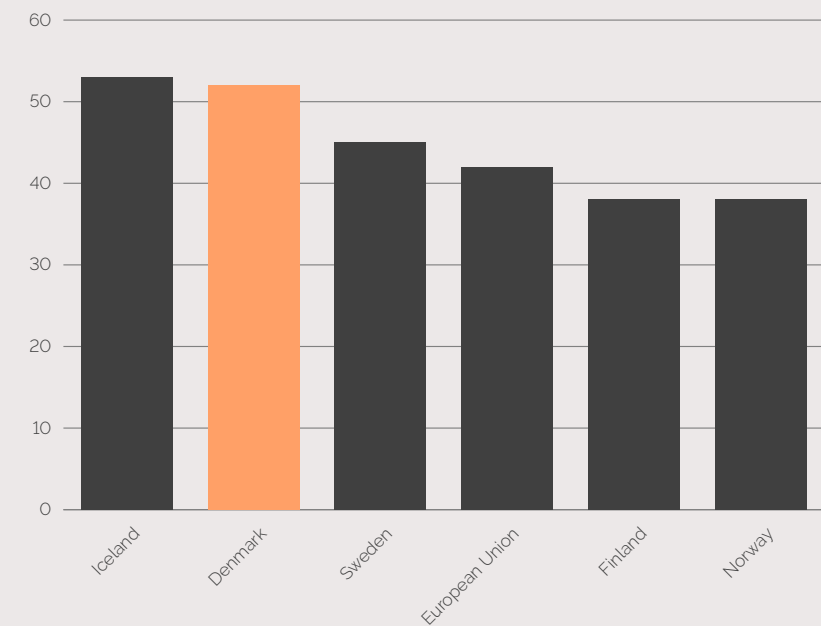
For the past 30 years, Denmark has had a stable economic and political climate that makes it possible to do business without the unpleasant surprises witnessed in other European countries. Inflation, interest rates and youth unemployment are all low and stable.

Denmark is rated AAA by all major agencies, including Standard & Poor's, Moody's and Fitch.

Globally oriented economy

The Danish economy is well integrated into the global economy. Exports account for more than half of Denmark's GDP.

Exports as a percentage of GDP



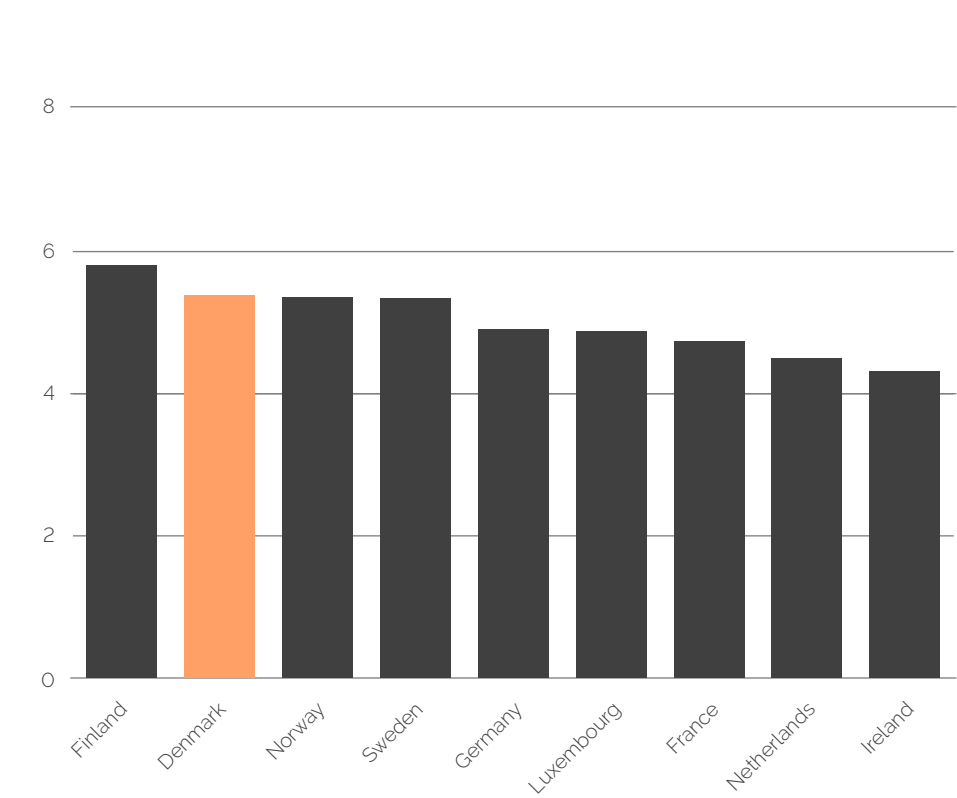
Source: World Bank 2015 values

High level of trust a key success factor

In Copenhagen, you can trust your neighbours and your business partners. Denmark boasts unusually high levels of trustworthiness. For the past five years, Transparency International has named Denmark the world's least corrupt country. The same holds true for the country's financial sector.

Denmark scores particularly highly in the World Economic Forum's annual index for trustworthiness and confidence in the financial sector. And IMD reckons Denmark has the least amount of bureaucracy in the whole of the EU.

High levels of trustworthiness and confidence in the financial sector



Trustworthiness and confidence on a scale from 1 to 7, where 7 is best.
Source: World Competitiveness Report 2015-2016



"Growing demand from our customers over a number of years made it natural to consider moving to Denmark. Several factors made it an easy decision. One key factor in moving out of London was that we could see there was a highly skilled asset management community here in Denmark. I'm also impressed by how easy it's been to interact with the Danish authorities compared to other markets we've moved into. So it's been relatively easy for us to establish and grow our business in Denmark."

Peter Beske Nielsen

**Head of Institutional Sales
Continental Europe, Blackrock**

Denmark ranks #1 as Europe's best place to do business

The World Bank has been measuring ease of doing business since 2003, and Denmark tops the rankings in Europe.

Key factors include legal conditions, tax laws and shareholder rights. Forbes is also a fan of Denmark, naming it the world's best country for doing business in 2016.

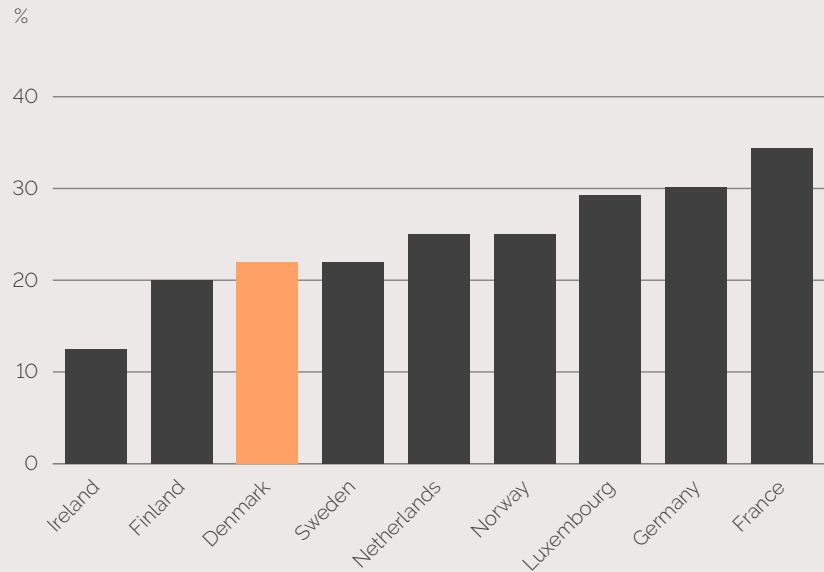
Europe's best according to the World Bank

- 1. Denmark
- 2. UK
- 3. Sweden
- 4. Norway
- 5. Finland

Source: World Bank: Doing Business 2016

Low corporate taxation

Denmark has a competitive corporate income tax rate of 22%.



Low employer contributions

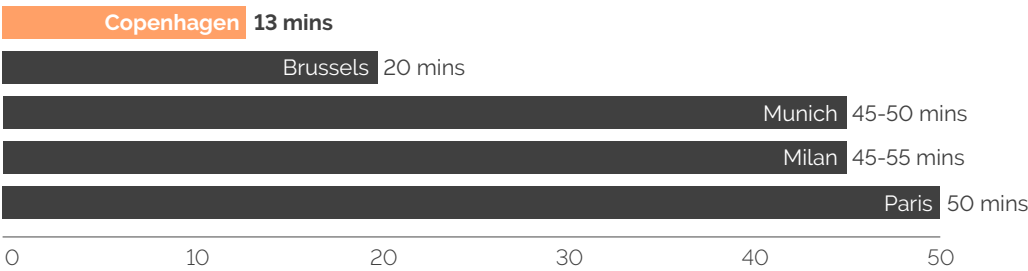
Denmark offers the world's lowest employer costs, with employers paying less than 1% (max. EUR 1,350) per employee per year in social contributions. This is because healthcare and social welfare benefits are financed by the Danish state, and most pension schemes are private rather than public.

Geographical advantage at the heart of Europe

All European cities are within easy reach of Copenhagen, thanks to its central location and efficient airport with particularly good international connections.

The largest hub in northern Europe, Copenhagen Airport is less than a fifteen minute ride from the city centre via metro and has direct flights to more than 150 international destinations, including over 100 cities in Europe.

Airport-city transit times
via fastest mode



Source: KPMG



A cityscape at sunset with a lighthouse and a church spire. The scene is bathed in a warm, orange glow from the setting sun. In the foreground, a metal railing is visible. To the left is a modern building with a grid of windows. In the center, a church spire with a cross on top rises above the trees. To the right is a tall, cylindrical lighthouse with a glass-enclosed top section. The overall mood is serene and urban.

4

**COPENHAGEN OFFERS
A HIGH QUALITY OF LIFE,
MAKING IT EASY TO ATTRACT
AND RETAIN STAFF**



Ranked the world's best city...

Monocle, Metropolis and Wallpaper are just some of the magazines to have named Copenhagen the world's best city.

Key factors include sustainability, safety and architecture.

... and the happiest people on the planet

The UN's World Happiness Report has found the Danes to be the world's happiest people on several occasions, most recently in 2016.

The report's criteria include tangibles such as income and health, as well as cultural values like honesty and freedom.

Copenhagen is a great place for living, working and thriving

It's easy to attract and retain staff in Copenhagen because we have a very high quality of life. In fact, some say Copenhagen is the best city in the world.

The reasons for this include:

- Copenhagen is a green, safe and beautiful city with good infrastructure and short commutes.
- Denmark has an attractive tax scheme for foreign high-earners. Together with low rents and good public services, this makes Copenhagen a cheaper place to live than other cities.
- Copenhagen is a very cosmopolitan city, and Danes have excellent English skills.

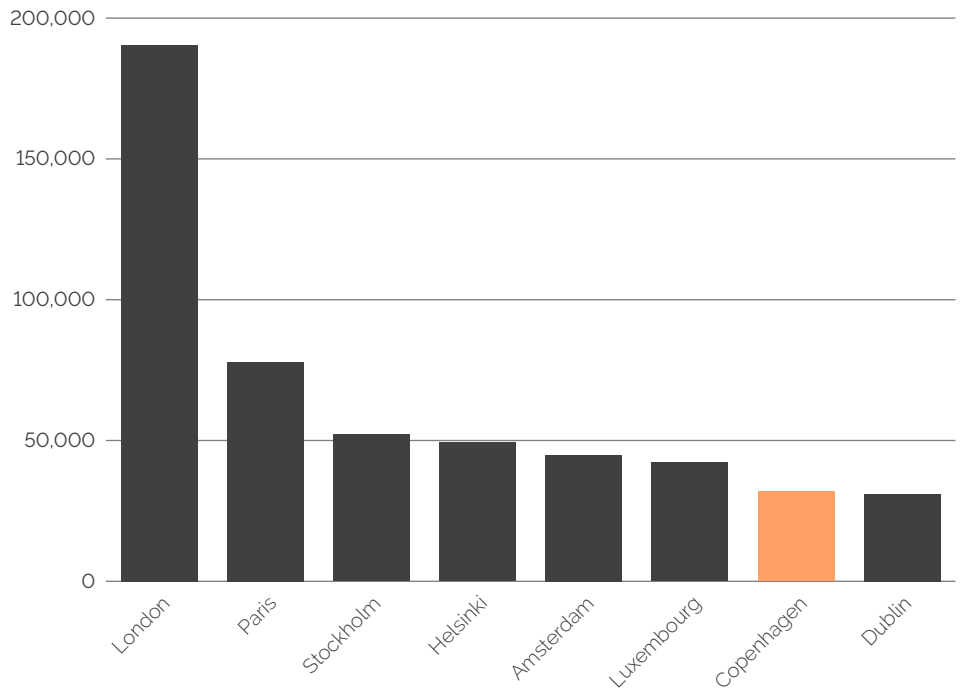


Copenhagen has another attractive attribute – it's affordable

Living in Denmark is also financially attractive, thanks first and foremost to a reduced tax rate of 32% for foreign high-earners for up to five years.

Compared to other major cosmopolitan cities in Europe, Copenhagen is also very affordable. First-rate houses sell for EUR 6,000-9,000 per square metre, compared with EUR 22,000-37,000 in London. Rents are also much lower.

Residential rents



Note: Chart shows latest available data
Source: OECD

Reduced tax rate for foreign high-earners

Denmark offers an attractive tax rate of 32% for foreign high-earners. Healthcare, schools, education, libraries and much more are also free to all tax payers.

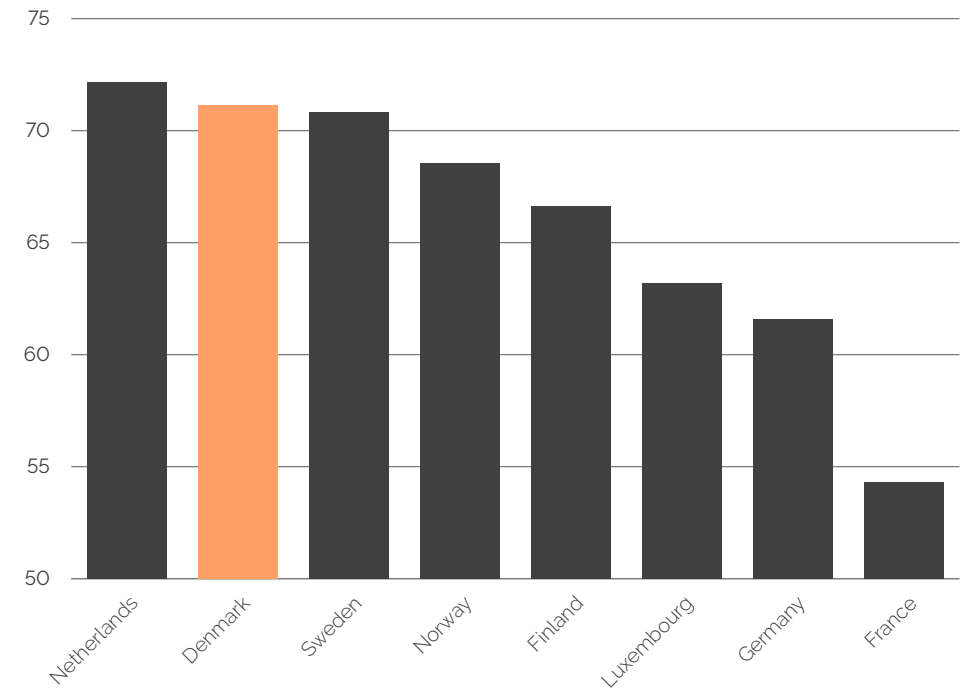
The scheme covers key workers recruited abroad and employed in Denmark who earn more than EUR 100,000 per year, other than a company's senior executives.

Easy to fit in and almost everyone speaks English

Living and working in Copenhagen, it's easy to get by speaking English. An analysis from EF shows that Denmark ranks among the very best in terms of English proficiency. Another analysis from IMD finds that the Danes have the world's best language skills.

Copenhagen is also a city of professionals. In fact, IMD says Denmark is the country with the most R&D jobs per capita in the world.

English skills



Note: The Netherlands, Denmark, Sweden, Norway and Finland are ranked first to fifth, while Luxembourg, Germany and France come in seventh, ninth and 29th respectively. Scale from 1 to 100.
Source: EF Education First English Proficiency Index 2016



International schools

There are numerous foreign-language schools in and around Copenhagen, including 15 primary and lower-secondary schools and seven upper-secondary schools.

Ten minutes to get to work

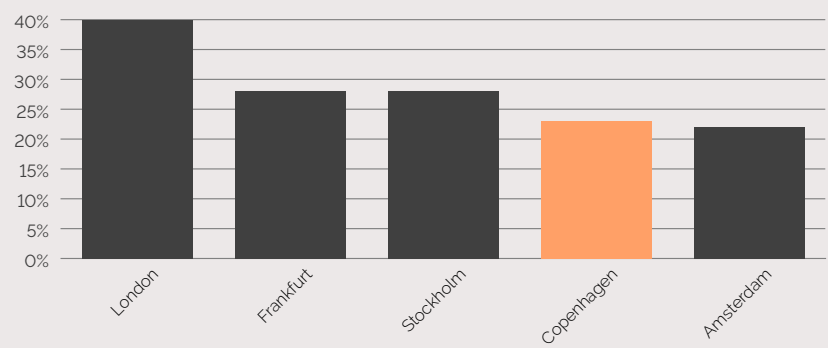
For Danes, cycling is a popular, preferred mode of transport. And Copenhagen is a safe, beautiful city where we can live close to nature and still cycle to work. We also have a modern metro and well-developed rail network. Mercer rates Copenhagen's infrastructure the fourth-best in the world, and data from TomTom shows less traffic congestion than in other big cities.

A recent study from the European Commission shows that 98% of Danes see their city, town or village as a safe place to live – one of the highest percentages in Europe alongside Finland.



Copenhagen has a thriving gastronomic scene – from local bistros to 15 of Denmark's 25 Michelin-starred restaurants.

Congestion level



Source: TomTom

Photos:
Copenhagen Media Center

Copenhagen is ideal for working parents

Denmark has a very attractive school and nursery system.

Greater Copenhagen alone is home to more than 1,180 childcare providers. Danish municipalities guarantee childcare from the age of six months. By law, parents pay no more than 25% of the cost of childcare – the remainder is funded by the public sector.

Add to that international schools, accredited universities and a flourishing expat community, and you have even more reasons for your partner, your family and your company to make Copenhagen your new home.



Dual careers are common in Copenhagen

"Short commutes and good childcare have allowed us both to pursue demanding careers as our children have grown up."

Katrine Sperling
VP Media Relations, Novo Nordisk A/S

Joachim Sperling
Head of Corporate Affairs, Axcel

"Copenhagen is one of Europe's leading biopharma and medical technology hubs and is a nexus for healthcare innovation, venture capital and the stock market. As a significant healthcare investor with total assets of EUR 40bn, it's a great advantage for Novo A/S to be based in Copenhagen. At a personal level, I find Copenhagen a great city to live in with so much to offer."

Kasim Kutay
CEO, Novo A/S

Former partner at Moelis & Company



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This report has been produced by a consortium of private and public players brought together by Axcelfuture.

The work was led by an advisory board chaired by Allan Polack, CEO of PFA Pension.